

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

A Bill

DRAFT ANS/ANS
SENATE BILL

5 By: Senator <NA>
6

For An Act To Be Entitled

8 AN ACT CONCERNING THE REQUIREMENTS UNDER THE STATE
9 AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM
10 FOR A STATE EMPLOYEE RETIREE AND PUBLIC SCHOOL
11 EMPLOYEE RETIREE; AND FOR OTHER PURPOSES.
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Subtitle

14 CONCERNING THE REQUIREMENTS UNDER THE
15 STATE AND PUBLIC SCHOOL LIFE AND HEALTH
16 INSURANCE PROGRAM FOR A STATE EMPLOYEE
17 RETIREE AND PUBLIC SCHOOL EMPLOYEE
18 RETIREE.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 21-5-411(a)(2)(A)(ii), concerning a
25 retiree's election period to participate in the State and Public School Life
26 and Health Insurance Program, is amended to read as follows:

27 (ii) The election to enroll in the program shall be
28 made within ~~thirty-one (31)~~ thirty (30) days of the state employee retiree's
29 or public school employee retiree's becoming an active retiree and shall be
30 made in writing to the Employee Benefits Division of the Department of
31 Finance and Administration on forms required by the division.
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33 SECTION 2. Arkansas Code § 21-5-411(a)(2)(B)(ii), concerning a
34 retiree's eligibility to participate in the State and Public School Life and
35 Health Insurance Program, is amended to read as follows:

36 (ii)(a) If a retiree declines to participate in the

1 program at the time of retirement due to other health insurance coverage that
 2 is not an accident only, specified disease, or other limited benefit policy,
 3 the retiree may make a one-time election to participate in the program with
 4 ~~proof of continued insurance coverage~~ if the retiree:

5 ~~(1) experiences~~ Experiences a qualifying
 6 ~~event or at the time of open enrollment~~ loss of eligibility;

7 (2) Applies to participate in the
 8 program within thirty (30) days of the loss of eligibility; and

9 (3) Attests to continued insurance
 10 coverage until the loss of eligibility.

11 (b) As used in this subdivision (a)(2)(B)(ii),
 12 "loss of eligibility" has the meaning provided by guidelines for special
 13 enrollment periods from the:

14 (1) Internal Revenue Service; and

15 (2) Health Insurance Portability and
 16 Accountability Act of 1996, Pub. L. No. 104-191.

17
 18 SECTION 3. Arkansas Code § 21-5-411(a)(2)(C), concerning the
 19 requirements for a retiree electing to participate in the State and Public
 20 School Life and Health Insurance Program, is amended to read as follows:

21 ~~(C)(i)~~ Except as provided in subdivision ~~(a)(2)(C)(ii)~~
 22 (a)(2)(B)(ii) of this section, an active retiree's failure to make an
 23 election to participate in the program during the ~~thirty-one day~~ thirty-day
 24 election period or an active retiree's election to decline participation in
 25 the program is final.

26 ~~(ii)(a)~~ ~~If an active retiree declining to~~
 27 ~~participate in the program specifies in writing and provides a letter of~~
 28 ~~creditable employer group coverage to show that the reason for the~~
 29 ~~declination is that the active retiree had coverage through another employer~~
 30 ~~group health plan and the active retiree's coverage was subsequently~~
 31 ~~terminated because of a loss of eligibility, as defined by Internal Revenue~~
 32 ~~Service regulations, and provides information from the former insurance~~
 33 ~~company of the loss of eligibility, then the active retiree and any~~
 34 ~~dependents shall qualify for participation in the program upon payment of the~~
 35 ~~appropriate premium as established by the board if the active retiree applies~~
 36 ~~for participation in the program within thirty (30) days of the loss of~~

1 eligibility.

2 ~~(b) As used in this subdivision (a)(2)(C)(ii),~~
 3 ~~“loss of coverage” has the meaning provided by Internal Revenue Service and~~
 4 ~~Health Insurance Portability and Accountability Act guidelines for special~~
 5 ~~enrollment periods.~~

6
 7 SECTION 4. Arkansas Code § 21-5-411(a)(3)(B)(i), concerning the
 8 election period of an inactive retiree, is amended to read as follows:

9 (B)(i) A state employee or public school employee
 10 qualifying for continued participation in the program under this subsection
 11 shall be considered an inactive retiree and shall have ~~thirty-one (31)~~ thirty
 12 (30) days from the effective date of termination to elect to continue
 13 participation in the program under this section by notifying the division.

14
 15 SECTION 5. Arkansas Code § 21-5-411(a)(3)(C), concerning the finality
 16 of an inactive retiree’s failure to act during the election period, is
 17 amended to read as follows:

18 (C)~~(i)~~ Except as provided in subdivision ~~(a)(3)(C)(ii)~~
 19 (a)(2)(B)(ii) of this section, an inactive retiree’s failure to elect to
 20 continue participation in the program during the ~~thirty-one-day~~ thirty-day
 21 election period or an inactive retiree’s election to decline participation in
 22 the program is final.

23 ~~(ii) If an inactive retiree as described in~~
 24 ~~subdivision (a)(3)(B) of this section declining participation in the program~~
 25 ~~specifies in writing that the reason for the declination is that the inactive~~
 26 ~~retiree has coverage through another group health plan and the inactive~~
 27 ~~retiree’s coverage is subsequently terminated because of a loss of~~
 28 ~~eligibility, then the inactive retiree and any dependents shall qualify for~~
 29 ~~participation in the program upon payment of the appropriate premium as~~
 30 ~~established by the board, provided the inactive retiree applies for program~~
 31 ~~participation within thirty one (31) days of the loss of eligibility.~~

32
 33 SECTION 6. Arkansas Code § 21-5-411(d), concerning the eligibility of
 34 a retiree’s dependent who has experienced a loss of coverage, is amended to
 35 read as follows:

36 (d)(1) ~~Any~~ Except as provided in subdivision (d)(2) of this section,

1 any future change in program participation other than cancellation shall be
 2 ~~extended~~ allowed only ~~to~~ for newly acquired dependents, ~~except that,~~

3 (2) if ~~If~~ an active ~~or inactive~~ retiree declined dependent
 4 coverage at the time of ~~election to be an active or inactive retiree and~~
 5 ~~specified in writing that the reason for the declination was that~~ retirement
 6 because the dependent had other group health coverage, and if subsequently
 7 the dependent ~~involuntarily loses such coverage, except for fraud or~~
 8 ~~voluntary cessation of premium payment while the active or inactive retiree~~
 9 ~~is covered by a plan option offered under the program, then the dependent may~~
 10 ~~be added within thirty one (31) days of the involuntary termination to the~~
 11 ~~active or inactive retiree's health insurance coverage for payment of the~~
 12 ~~appropriate premium as established by the board~~ experienced a loss of
 13 eligibility, the dependent may be added to the active retiree's plan under
 14 the program if the active retiree:

15 (A) Applies for dependent coverage under the program for
 16 the active retiree's dependent within thirty (30) days of the dependent's
 17 loss of eligibility; and

18 (B) Attests to the dependent's continued insurance
 19 coverage until the dependent's loss of eligibility.

20 (3) As used in this subsection, "loss of eligibility" has the
 21 meaning provided by guidelines for special enrollment periods from the:

22 (A) Internal Revenue Service; and

23 (B) Health Insurance Portability and Accountability Act of
 24 1996, Pub. L. No. 104-191.

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 26 SECTION 7. Arkansas Code § 21-5-412(b)(2)(B)(i), concerning the
 27 election period for an elected official to continue participation in the
 28 State and Public School Life and Health Insurance Program, is amended to read
 29 as follows:

30 (B)(i) An elected official qualifying for continuation of
 31 participation in the program under this subsection shall be considered an
 32 eligible inactive retiree and shall have ~~thirty one (31)~~ thirty (30) days
 33 from the effective date of termination to elect to continue program
 34 participation by notifying the Employee Benefits Division of the Department
 35 of Finance and Administration in writing on forms required by the division.

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1 SECTION 8. Arkansas Code § 21-5-412(b)(2)(C)(ii), concerning the
 2 eligibility of an inactive retiree to participate in the State and Public
 3 School Life and Health Insurance Program after declining coverage, is amended
 4 to read as follows:

5 (ii) An eligible inactive retiree who declined to
 6 participate in the program and any eligible dependents of the eligible
 7 inactive retiree shall qualify for participation in the program upon payment
 8 of the appropriate premium as established by the State and Public School Life
 9 and Health Insurance Board, ~~provided if~~ if the eligible inactive retiree:

10 (a) ~~applies~~ Applies for program participation
 11 within ~~thirty-one (31)~~ thirty (30) days of the loss of eligibility ~~if~~:

12 ~~(a) The eligible inactive retiree who declined~~
 13 ~~to participate in the program specifies in writing that the reason for the~~
 14 ~~declination is that the eligible inactive retiree had coverage through~~
 15 ~~another group health plan;~~

16 ~~(b) The eligible inactive retiree's coverage~~
 17 ~~was subsequently terminated because of a loss of eligibility; and~~

18 ~~(c) The eligible inactive retiree provides~~
 19 ~~information from the former insurance company confirming the loss of~~
 20 ~~coverage; and~~

21 (b) For dependent coverage, certifies that the
 22 dependent maintained continuous insurance coverage until the dependent's loss
 23 of eligibility.

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