

1 State of Arkansas
2 90th General Assembly
3 Second Extraordinary Session, 2016
4

A Bill

DRAFT JMB/JMB
SENATE BILL

5 By: Senator <NA>
6 By: Representative <NA>
7

For An Act To Be Entitled

9 AN ACT TO REQUIRE A PORTION OF THE INSURANCE PREMIUM
10 TAX TO BE USED TO PROVIDE SERVICES TO INDIVIDUALS IN
11 THE ALTERNATIVE COMMUNITY SERVICES WAIVER PROGRAM,
12 ALSO KNOWN AS THE "DEVELOPMENTAL DISABILITIES
13 WAIVER"; TO CREATE THE ALTERNATIVE COMMUNITY SERVICES
14 WAIVER PROGRAM WAIT LIST TRUST FUND; AND FOR OTHER
15 PURPOSES.
16

Subtitle

17
18 TO REQUIRE A PORTION OF THE INSURANCE
19 PREMIUM TAX TO BE USED TO PROVIDE
20 SERVICES TO INDIVIDUALS IN THE
21 ALTERNATIVE COMMUNITY SERVICES WAIVER
22 PROGRAM, ALSO KNOWN AS THE "DEVELOPMENTAL
23 DISABILITIES WAIVER".
24
25
26

27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
28

29 SECTION 1. Arkansas Code § 26-57-604(a)(1), concerning the remittance
30 of the insurance premium tax and credit for noncommissioned salaries and
31 wages of employees of the insurers, is amended to read as follows:

32 (a)(1)(A) Coincident with the filing of the tax report, each
33 authorized life or accident and health insurer, including licensed health
34 maintenance organizations, may apply for a credit for the noncommissioned
35 salaries and wages of the insurer's Arkansas employees that are paid in
36 connection with its insurance operations.

1 (B)(i) The credit may be applied as an offset against the
 2 premium tax imposed in § 26-57-603(d) on life and accident and health
 3 insurance.

4 (ii) However, the credit shall not be applied as an
 5 offset against the premium tax on collections resulting from an eligible
 6 individual insured under the Health Care Independence Act of 2013, § 20-77-
 7 2401 et seq., ~~or~~ the Arkansas Health Insurance Marketplace Act, § 23-61-801
 8 et seq., or the Arkansas Medicaid Program as administered by a managed care
 9 organization.

10
 11 SECTION 2. Arkansas Code § 26-57-610 is amended to read as follows:
 12 26-57-610. Disposition of taxes.

13 (a) The Insurance Commissioner shall deposit all taxes collected under
 14 §§ 26-57-604 and 26-57-605 into the State Treasury.

15 (b) On the last business day of each month, the Treasurer of State
 16 shall classify the taxes by type of revenue and credit the net amounts
 17 respectively of taxes collected under §§ 26-57-604 and 26-57-605 as follows:

18 (1) The taxes based on premiums collected as special revenues
 19 shall be distributed to the respective cities, incorporated towns, and fire
 20 protection districts in this state for credit to the respective firemen's
 21 relief and pension funds;

22 (2) The taxes based on premiums collected under the Health Care
 23 Independence Act of 2013, § 20-77-2401 et seq., and the Arkansas Health
 24 Insurance Marketplace Act, § 23-61-801 et seq. shall be:

25 (A) At the time of deposit, separately certified by the
 26 commissioner to the Treasurer of State for classification and distribution
 27 under this section; and

28 (B) Transferred to the Health Care Independence Program
 29 Trust Fund and used as provided by § 19-5-1141;

30 (3) The taxes based on premiums collected under the Arkansas
 31 Medicaid Program as administered by a managed care organization shall be:

32 (A) At the time of deposit, separately certified by the
 33 commissioner to the Treasurer of State for classification and distribution
 34 under this section; and

35 (B)(i) Transferred to the Alternative Community Services
 36 Waiver Program Wait List Trust Fund and used as provided by § 19-5-1146.

1 (ii) On or before October 1 of each year, the
 2 department shall submit a plan to the Governor and the General Assembly
 3 explaining how the medical services will be provided under the Alternative
 4 Community Services Waiver Program Wait List Trust Fund; and

5 ~~(3)(4) Except as provided in subdivision (b)(4) of this section,~~
 6 all All other taxes collected under §§ 26-57-604 and 26-57-605 shall be
 7 classified as general revenues, and the net amount of taxes collected under
 8 §§ 26-57-604 and 26-57-605 shall be credited to the various State Treasury
 9 funds participating in general revenues in the respective proportions to each
 10 as provided by and to be used for the respective purposes set forth in the
 11 Revenue Stabilization Law, § 19-5-101 et seq.

12
 13 SECTION 3. Arkansas Code Title 19, Chapter 5, Subchapter 11, is
 14 amended to add an additional section to read as follows:

15 19-5-1146. Alternative Community Services Waiver Program Wait List
 16 Trust Fund.

17 (a) There is created on the books of the Treasurer of State, the
 18 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
 19 be known as the "Alternative Community Services Waiver Program Wait List
 20 Trust Fund".

21 (b) The fund shall consist of:

22 (1) Premium tax collections transferred to the fund under § 26-
 23 57-610(b)(3)(B);

24 (2) Other moneys saved and accrued from the administration of
 25 the Arkansas Medicaid Program by a managed care organization, including
 26 without limitation:

27 (A) Reductions in uncompensated care; and

28 (B) Other spending reductions; and

29 (3) Other revenues and funds authorized by law.

30 (c) The fund may be used by the Department of Human Services to:

31 (1) Pay for medical services for individuals who are on the
 32 waiting list for the Alternative Community Services Waiver Program, commonly
 33 known as the "Developmental Disabilities Waiver"; and

34 (2) Develop ways to eliminate the waiting list for the
 35 Alternative Community Services Waiver Program, commonly known as the
 36 "Developmental Disabilities Waiver".