

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

# A Bill

SENATE BILL 693

5 By: Senators Hickey, Rice  
6 By: Representative Wardlaw  
7

## For An Act To Be Entitled

9 AN ACT TO ABOLISH THE STATE AND PUBLIC SCHOOL LIFE  
10 AND HEALTH INSURANCE BOARD; TO TRANSFER THE DUTIES OF  
11 THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE  
12 PROGRAM TO THE STATE BOARD OF FINANCE; TO AMEND THE  
13 DUTIES OF THE STATE BOARD OF FINANCE; TO AMEND THE  
14 STATE ENTITIES TRANSFERRED TO THE DEPARTMENT OF  
15 TRANSFORMATION AND SHARED SERVICES; TO DECLARE AN  
16 EMERGENCY; AND FOR OTHER PURPOSES.  
17  
18

## Subtitle

19  
20 TO TRANSFER THE DUTIES OF THE STATE AND  
21 PUBLIC SCHOOL LIFE AND HEALTH INSURANCE  
22 BOARD TO THE STATE BOARD OF FINANCE; AND  
23 TO DECLARE AN EMERGENCY.  
24  
25

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

28 SECTION 1. DO NOT CODIFY. Abolition of the State and Public School  
29 Life and Health Insurance Board and transfer of duties and responsibilities  
30 to State Board of Finance – Legislative findings.

31 (a) The General Assembly finds that:

32 (1) The State and Public School Life and Health Insurance  
33 Program is underfunded and will operate in a deficit;

34 (2) The State and Public School Life and Health Insurance Board  
35 has not been effective in developing a strong State and Public School Life  
36 and Health Insurance Program;



1           (3) The State Board of Finance is established to manage the  
2 state's financial concerns;

3           (4) The State Board of Finance is the entity that is currently  
4 best suited to make decisions and policy for the State and Public School Life  
5 and Health Insurance Program; and

6           (5) The State Board of Finance shall make decisions and policy  
7 determinations for the State and Public School Life and Health Insurance  
8 Program until the General Assembly adopts a permanent governance system to  
9 ensure solvency of the State and Public School Life and Health Insurance  
10 Program and state and public school employee benefits.

11           (b) The State and Public School Life and Health Insurance Board is  
12 abolished and all duties and responsibilities of the State and Public School  
13 Life and Health Insurance Board be vested in the State Board of Finance.

14           (c)(1) The administrative functions of the State and Public School  
15 Life and Health Insurance Board are transferred in the same manner as a  
16 cabinet-level department transfer under § 25-43-101 et seq. from the  
17 Department of Transformation and Shared Services to the State Board of  
18 Finance.

19           (2) All duties assigned to the State and Public School Life and  
20 Health Insurance Program administered by the Employee Benefits Division of  
21 the Department of Transformation and Shared Services shall remain with the  
22 division.

23           (3) All employees of the department performing duties for the  
24 State and Public School Life and Health Insurance Board shall remain  
25 employees of the department and are not transferred by this act.

26           (4) All duties assigned under § 25-43-101 et seq. to the  
27 Secretary of the Department of Transformation and Shared Services concerning  
28 the State and Public School Life and Health Insurance Board shall be  
29 performed by the designee of the State Board of Finance.

30           (d) The statutory authority, powers, duties, functions, records,  
31 personnel, property, and unexpended balances of appropriations, allocations,  
32 or other funds, including the functions of budgeting or purchasing of the  
33 State and Public School Life and Health Insurance Board, are transferred from  
34 the department to the State Board of Finance.

35           (e)(1) The transfer of the State and Public School Life and Health  
36 Insurance Board does not affect the orders, rules, regulations, directives,

1 or standards made or promulgated by the State and Public School Life and  
2 Health Insurance Board before the effective date of this act.

3 (2) The orders, rules, regulations, directives, or standards  
4 under subdivision (e)(1) of this section shall continue with full force and  
5 effect until amended or repealed under authority given by law.

6 (3) All commitments, decisions, plans, or other actions taken by  
7 the State and Public School Life and Health Insurance Board with regard to  
8 plans, plan design, plan benefits, premiums, premium increases, deductibles,  
9 or cost-containment measures for plans to take effect January 1, 2022, or  
10 thereafter are subject to modification, change, or other action by the State  
11 Board of Finance and shall be submitted to the Legislative Council for  
12 approval before implementation by the State Board of Finance.

13 (f) The department shall grant access to and provide all information  
14 requested by the State Board of Finance to accomplish the transfer of the  
15 State and Public School Life and Health Insurance Board and the statutory  
16 duties of the State and Public School Life and Health Insurance Board.

17 (g) The terms of all members of the State and Public Life and Health  
18 Insurance Board are terminated and shall end on the effective date of this  
19 act.

20  
21 SECTION 2. Arkansas Code § 6-17-1109(a), concerning the notice,  
22 evaluation, and approval of bid proposals for life and disability insurance  
23 for public school employees, is amended to read as follows:

24 (a) Before selecting a policy or entering into an agreement with an  
25 insurance company for the providing of life or disability insurance for  
26 public school employees as authorized in this subchapter, the ~~State and~~  
27 ~~Public School Life and Health Insurance Board~~ State Board of Finance shall  
28 publicize, by inserting in one (1) or more newspapers having a general  
29 circulation in the State of Arkansas, notice that bid proposals for the  
30 providing of life or disability insurance for public school employees will be  
31 received by the board on the date and at the place stated in the notice.  
32

33 SECTION 3. Arkansas Code § 6-17-1114 is amended to read as follows:  
34 6-17-1114. Cooperation.

35 It is the duty of the ~~State and Public School Life and Health Insurance~~  
36 ~~Board~~ State Board of Finance, the Supervisor of the Public School Employees

1 Insurance Section and the insurance section employees, the Division of  
2 Elementary and Secondary Education, and each public school district and their  
3 officers and employees:

4 (1) To cooperate with one another, when called upon to do so, in  
5 all such reasonable ways as will assist or further the objectives of the  
6 board by making available records and statistical or other data or  
7 information to provide legal and actuarial advice; and

8 (2) If required, to occasionally make available the services of  
9 their officers and employees.

10  
11 SECTION 4. Arkansas Code § 6-17-117(b)(1)(A), concerning the  
12 definition of health insurance for the public school employees' health  
13 insurance program, is amended to read as follows:

14 (b)(1)(A) The Division of Elementary and Secondary Education shall pay  
15 the Employee Benefits Division a minimum of sixty-one dollars (\$61.00) per  
16 month for each eligible employee electing to participate in the public school  
17 employees' health insurance program administered by the ~~State and Public~~  
18 ~~School Life and Health Insurance Board~~ State Board of Finance.

19  
20 SECTION 5. Arkansas Code § 6-58-104(b)(1)(A)(ii), concerning the  
21 effect of merger on employees, is amended to read as follows:

22 (ii) The health insurance plan adopted by the ~~State~~  
23 ~~and Public School Life and Health Insurance Board~~ State Board of Finance for  
24 state employees.

25  
26 SECTION 6. Arkansas Code § 6-58-113(b)(2), concerning employee health  
27 insurance plan for National Park College, is amended to read as follows:

28 (2) The health insurance plan adopted by the ~~State and Public~~  
29 ~~School Life and Health Insurance Board~~ State Board of Finance for state  
30 employees, if the Board of Trustees of National Park College authorizes  
31 college employees to participate in the plan subject to the conditions and  
32 rates established by the ~~State and Public School Life and Health Insurance~~  
33 ~~Board~~ State Board of Finance.

34  
35 SECTION 7. Arkansas Code § 6-59-104(b)(1)(A)(ii), concerning the  
36 effect of a merger on employees, is amended to read as follows:

1 (ii) The health insurance plan adopted by the ~~State~~  
2 ~~and Public School Life and Health Insurance Board~~ State Board of Finance for  
3 state employees.

4  
5 SECTION 8. Arkansas Code § 19-3-704, concerning the powers and duties  
6 of the State Board of Finance, is amended to add an additional subsection to  
7 read as follows:

8 (f) The board shall supervise and administer the State and Public  
9 School Life and Health Insurance Program and carry out the duties set out  
10 under §§ 25-1-404 and 25-1-405.

11  
12 SECTION 9. Arkansas Code § 19-4-1602(a)(4)(B), concerning payroll  
13 deductions for state employees, is amended to read as follows:

14 (B) However, any payroll deductions through the Arkansas  
15 state mechanized payroll system for state employees for coverages other than  
16 the state-authorized plan shall be approved by the ~~State and Public School~~  
17 ~~Life and Health Insurance Board~~ State Board of Finance;

18  
19 SECTION 10. Arkansas Code § 21-5-401(b), concerning the legislative  
20 intent for the establishment of the State and Public School Life and Health  
21 Insurance Program, is amended to read as follows:

22 (b) It is the purpose of this subchapter to:

23 (1) ~~Create a single board~~ Direct the State Board of Finance to  
24 ~~administer~~ develop the policies, guidance, and directives to the program and  
25 to select and offer life and health insurance plan options under the program  
26 to participants;

27 (2) Develop self-funded health plan options that enhance the  
28 ability to control premiums and utilize managed care capabilities if feasible  
29 and in the best interest of participants; and

30 (3) Enable ~~a single~~ the board to:

31 (A) Set and manage policies for the program;

32 (B) Work in a concerted effort toward a common goal of  
33 parity between public school and state employee insurance programs;

34 (C) Improve the quality of healthcare services under the  
35 program;

36 (D) Increase participants' understanding of program

1 features by educating state employees, state employee retirees, public school  
 2 employees, and public school employee retirees on the program and plan  
 3 options available under the program, including the advantages and  
 4 disadvantages of each available plan option; and

5 (E) Slow the rate of growth of healthcare expenses under  
 6 the program.

7  
 8 SECTION 11. Arkansas Code § 21-5-402 is repealed.

9 ~~21-5-402. Creation of board Members.~~

10 ~~(a)(1) The State and Public School Life and Health Insurance Board is~~  
 11 ~~created, composed of the following fifteen (15) voting members:~~

12 ~~(A) A state employee who is eligible to participate in the~~  
 13 ~~State and Public School Life and Health Insurance Program, appointed by the~~  
 14 ~~Governor;~~

15 ~~(B) Two (2) public school employees, at least one (1) of~~  
 16 ~~whom is employed by a rural school district, appointed by the Governor;~~

17 ~~(C) The Insurance Commissioner or his or her designee;~~

18 ~~(D) The Commissioner of Elementary and Secondary Education~~  
 19 ~~or his or her designee;~~

20 ~~(E) The Secretary of the Department of Transformation and~~  
 21 ~~Shared Services or his or her designee;~~

22 ~~(F) Three (3) members who are engaged in employee benefits~~  
 23 ~~management or risk management, at least one (1) of whom is a licensed~~  
 24 ~~healthcare provider, appointed by the Governor;~~

25 ~~(G) Two (2) members, one (1) of whom is a retired public~~  
 26 ~~school employee and one (1) of whom is a retired state employee, appointed by~~  
 27 ~~the Governor;~~

28 ~~(H) One (1) public school employee who is employed by a~~  
 29 ~~school district as an administrator, appointed by the Governor;~~

30 ~~(I) The Director of the Arkansas State Board of Pharmacy~~  
 31 ~~or his or her state employee pharmacist designee;~~

32 ~~(J) The Director of Health Facility Services of the~~  
 33 ~~Department of Health or his or her designee; and~~

34 ~~(K) One (1) member who is a member of the Arkansas~~  
 35 ~~Medical, Dental, and Pharmaceutical Association, appointed by the Governor.~~

36 ~~(2) All appointments made by the Governor are subject to~~

1 confirmation by the Senate.

2 (3) ~~An appointee who has a conflict of interest is disqualified~~  
3 ~~to serve on the board.~~

4 (b)(1) ~~Members appointed by the Governor shall be appointed for terms~~  
5 ~~of four (4) years but may be reappointed for additional terms.~~

6 (2)(A) ~~A vacancy in a position appointed by the Governor shall~~  
7 ~~be filled by appointment by the Governor for the unexpired term.~~

8 (B) ~~Members appointed by the Governor shall serve at the~~  
9 ~~will of the Governor.~~

10 (c) ~~A chair and vice chair of the board shall be selected annually by~~  
11 ~~and from the membership of the board and shall serve no more than two (2)~~  
12 ~~years.~~

13  
14 SECTION 12. Arkansas Code § 21-5-403 is amended to read as follows:

15 21-5-403. ~~Policy-making body only — Reports.~~ Report of Director of  
16 the Employee Benefits Division.

17 (a) ~~The State and Public School Life and Health Insurance Board is a~~  
18 ~~policy-making body only.~~

19 (b) ~~The Director of the Employee Benefits Division and the board shall~~  
20 ~~report upon request to the House Committee on Insurance and Commerce and the~~  
21 ~~Senate Committee on Insurance and Commerce regarding the State and Public~~  
22 ~~School Life and Health Insurance Program.~~

23  
24 SECTION 13. Arkansas Code § 21-5-404 is amended to read as follows:

25 21-5-404. Powers, functions, and duties of board.

26 ~~The State and Public School Life and Health Insurance Board~~ State Board  
27 of Finance has the following powers, functions, and duties:

28 (1)(A) To explore various cost-containment measures and funding  
29 options for plan options offered under the State and Public School Life and  
30 Health Insurance Program for the benefit of state employees, state employee  
31 retirees, public school employees, and public school employee retirees.

32 (B) ~~Beginning in the 2015 plan year, the~~ The board shall  
33 not adopt a health insurance plan option that has no deductible for  
34 participants.

35 (C) The board shall recommend that an active employee in a  
36 consumer-driven health insurance plan option offered under the program

1 establish a health savings account if the active employee is eligible to  
2 establish a health savings account under federal law;

3 (2) To promote competition among vendors and create a systematic  
4 formula for measuring competitiveness of the plan options offered under the  
5 program, quality-of-care delivery, portability, and accessibility to and  
6 affordability of health care;

7 (3) To prepare a comprehensive analysis of the various plan  
8 options offered under the program, including cost, quality, and access  
9 differentials as well as any other comparisons of the plan options offered  
10 under the program;

11 (4) To undertake studies and to take any appropriate action that  
12 the board determines will promote the financial soundness and overall well-  
13 being of the program;

14 (5) To establish and set penalties as allowed under § 21-5-415;

15 (6)(A) To develop, with the assistance of the Office of State  
16 Procurement, bid specifications and requests for proposals and to evaluate  
17 bids and proposals.

18 (B) The board shall allow the office to execute all other  
19 actions relating to the purchasing procedures in contracting for consultants,  
20 third-party administrators, providers, or insurance companies on behalf of  
21 the program and all plan options offered under the program;

22 (7) To evaluate responses to requests for proposals, select  
23 contractors for all services, and approve the award of contracts resulting  
24 from bids for the program and all plan options offered under the program;

25 (8) To perform program and plan option design, summarize plan  
26 document approval, including without limitation lifetime limitations,  
27 copayments, deductibles, and eligibility rules;

28 (9) To promote increased access to and participation in the  
29 program and the plan options offered under the program by educating state  
30 employees, state employee retirees, public school employees, and public  
31 school employee retirees about the program and all plan options offered under  
32 the program, including the advantages and disadvantages of each available  
33 plan option;

34 (10)(A) To direct the office to contract with qualified vendors,  
35 as defined by the board, offering the plan options under the program as  
36 prescribed by the board without regard to § 19-11-228 or other statutes



1 requiring competitive bidding.

2 (B) Each contract shall be for a term of at least one (1)  
3 year but may be made automatically renewable from term to term in the absence  
4 of notice of termination by either party;

5 (11)(A) To obtain quality-of-care information from systems,  
6 networks, hospitals, and clinical providers to inform plan option design,  
7 plan option management, and consumer decisions.

8 (B) The board shall:

9 (i) Use accepted national standards for assessment  
10 of quality-of-care information provided by systems, networks, hospitals, and  
11 clinical providers; and

12 (ii) Be empowered to:

13 (a) Determine the appropriate use of quality-  
14 of-care information and scope of system, network, hospital, and clinical  
15 provider accountability;

16 (b) Request aggregate performance information  
17 for patients; and

18 (c) Publicly report conclusions of quality-of-  
19 care assessment; and

20 (12) To appoint three (3) subcommittees of the board to study  
21 and research plan options offered under the program, formulary management,  
22 quality of care provided, and the financial impact of implementing the  
23 recommendations made to the board as follows:

24 (A)(i) The Benefits Subcommittee of the ~~State and Public~~  
25 ~~School Life and Health Insurance Board~~ State Board of Finance shall consist  
26 of:

27 (a) Three (3) board members;

28 (b) Two (2) state employees;

29 (c) Three (3) public school employees, at  
30 least one (1) of whom is employed by a rural school district; and

31 (d) One (1) retired public school employee.

32 (ii) The Benefits Subcommittee of the ~~State and~~  
33 ~~Public School Life and Health Insurance Board~~ State Board of Finance shall  
34 review, evaluate, and investigate benefits, new benefit offerings, and annual  
35 insurance rates;

36 (B)(i) The Drug Utilization and Evaluation Subcommittee of

1 the ~~State and Public School Life and Health Insurance Board~~ State Board of  
2 Finance shall consist of:

3 (a) Three (3) pharmacists as follows:

4 (1) The Executive Director of the  
5 Arkansas State Board of Pharmacy or his or her pharmacist designee;

6 (2) The Dean of the University of  
7 Arkansas for Medical Sciences College of Pharmacy or his or her pharmacist  
8 designee; and

9 (3) A pharmacist selected by the  
10 Arkansas ~~Pharmacists~~ Pharmacist's Association;

11 (b) Four (4) physicians as follows:

12 (1) The Dean of the University of  
13 Arkansas for Medical Sciences College of Medicine or his or her physician  
14 designee;

15 (2) The Senior Associate Hospital  
16 Director of the University of Arkansas for Medical Sciences Medical Center or  
17 his or her physician designee;

18 (3) The ~~Medical~~ Director of the Arkansas  
19 Poison and Drug Information Center or his or her physician designee; and

20 (4) A physician selected by the Arkansas  
21 Medical Society, Inc.;

22 (c) One (1) registered nurse who is the Dean  
23 of the University of Arkansas for Medical Sciences College of Nursing or his  
24 or her registered nurse designee; and

25 (d)(1) One (1) state employee and two (2)  
26 public school employees, appointed by the board.

27 (2) A member appointed under this  
28 subdivision (12)(B)(i)(d) shall have expertise in accounting, finance,  
29 auditing, or insurance.

30 (ii) The Drug Utilization and Evaluation  
31 Subcommittee of the ~~State and Public School Life and Health Insurance Board~~  
32 State Board of Finance shall review drugs for formulary management and  
33 evaluate the financial impact of its recommendations; and

34 (C)(i) The Quality of Care Subcommittee of the ~~State and~~  
35 ~~Public School Life and Health Insurance Board~~ State Board of Finance shall  
36 consist of:

- 1 (a) Three (3) board members;
- 2 (b) Two (2) state employees;
- 3 (c) Two (2) public school employees;
- 4 (d) One (1) representative from the Arkansas
- 5 Foundation for Medical Care, Inc.;
- 6 (e) One (1) representative from the Arkansas
- 7 ~~Pharmacists~~ Pharmacist's Association;
- 8 (f) One (1) representative from the Arkansas
- 9 Center for Health Improvement;
- 10 (g) One (1) representative from the Arkansas
- 11 Medical Association, Inc.;
- 12 (h) One (1) representative from the Arkansas
- 13 Osteopathic Medical Association; and
- 14 (i) One (1) representative from the Arkansas
- 15 Hospital Association.

16 (ii) The Quality of Care Subcommittee of the ~~State~~  
 17 ~~and Public School Life and Health Insurance Board~~ State Board of Finance may  
 18 review and recommend quality performance indicators for use, recommend  
 19 baseline performance goals, recommend alignment of financial incentives to  
 20 improve performance, and track improvements in delivery of care.

21  
 22 SECTION 14. Arkansas Code § 21-5-405(a)(1), concerning additional  
 23 duties of the State and Public School Life and Health Insurance Board, is  
 24 amended to read as follows:

25 (a)(1) The ~~State and Public School Life and Health Insurance Board~~  
 26 State Board of Finance and the Director of the Employee Benefits Division  
 27 shall take a risk management approach in designing the State and Public  
 28 School Life and Health Insurance Program.

29  
 30 SECTION 15. Arkansas Code § 21-5-406(a), concerning the director and  
 31 staff of the State and Public School Life and Health Insurance Board, is  
 32 amended to read as follows:

33 (a)(1) The ~~State and Public School Life and Health Insurance Board~~  
 34 State Board of Finance shall choose the Director of the Employee Benefits  
 35 Division with the approval of the Secretary of the Department of  
 36 Transformation and Shared Services.

1 (2)(A) The director shall be employed by and serve at the  
 2 pleasure of the secretary, and shall perform all duties in consultation with  
 3 the secretary.

4 (B) However, the board may recommend the removal of the  
 5 director, but removal is subject to the approval of the secretary.

6 (3) The director shall employ staff adequate to manage the State  
 7 and Public School Life and Health Insurance Program within the funds  
 8 appropriated for the program within the Department of Transformation and  
 9 Shared Services.

10  
 11 SECTION 16. Arkansas Code § 21-5-406(d), concerning the director and  
 12 staff of the State and Public School Life and Health Insurance Board, is  
 13 amended to read as follows:

14 (d) The director shall administer this subchapter and the rules and  
 15 orders of ~~the division and~~ the board.

16  
 17 SECTION 17. Arkansas Code § 21-5-408 is amended to read as follows:  
 18 21-5-408. Compensation.

19 ~~State and Public School Life and Health Insurance Board~~ State Board of  
 20 Finance members may receive from the Department of Finance and Administration  
 21 expense reimbursement and stipends as allowable under § 25-16-901 et seq.

22  
 23 SECTION 18. Arkansas Code § 21-5-411(a)(2)(C)(ii), concerning  
 24 eligibility of certain retired employees, is amended to read as follows:

25 (ii) If an active retiree declines participation in the  
 26 program because the active retiree has health insurance coverage through  
 27 another employer group health plan and the active retiree's coverage was  
 28 subsequently terminated because of a loss of eligibility, as defined by  
 29 Internal Revenue Service regulations, and provides information from the  
 30 former insurance company of the loss of eligibility, then the active retiree  
 31 shall qualify for participation in the program upon payment of the  
 32 appropriate premium as determined by the ~~State and Public School Life and~~  
 33 ~~Health Insurance Board~~ State Board of Finance under subdivision (a)(5) of  
 34 this section if the active retiree applies for participation in the program  
 35 within thirty (30) days of the loss of eligibility.

1 SECTION 19. Arkansas Code § 21-5-412(b)(2)(C)(ii), concerning  
2 eligibility of certain elected officials, is amended to read as follows:

3 (ii) An eligible inactive retiree who declined to  
4 participate in the program and any dependents of the eligible inactive  
5 retiree shall qualify for participation in the program upon payment of the  
6 appropriate premium as established by the ~~State and Public School Life and~~  
7 ~~Health Insurance Board~~ State Board of Finance, provided the eligible inactive  
8 retiree applies for program participation within thirty-one (31) days of the  
9 loss of eligibility if:

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

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

16 (c) The eligible inactive retiree provides  
17 information from the former insurance company confirming the loss of  
18 coverage.  
19

20 SECTION 20. Arkansas Code § 21-5-415(a)(4)(B), concerning nonpayment  
21 of premiums and failure to file reports by an agency or school district, is  
22 amended to read as follows:

23 (B) The state agency director or school district superintendent  
24 may be required to appear before the ~~State and Public School Life and Health~~  
25 ~~Insurance Board~~ State Board of Finance to report the reasons for nonpayment  
26 or incorrect reporting; and  
27

28 SECTION 21. Arkansas Code § 21-5-418(a), concerning health savings  
29 accounts, is amended to read as follows:

30 (a) A health savings account shall be a component of a consumer-driven  
31 health insurance plan option adopted by the ~~State and Public School Life and~~  
32 ~~Health Insurance Board~~ State Board of Finance.  
33

34 SECTION 22. Arkansas Code § 23-79-1503(b), concerning rules, is  
35 amended to read as follows:

36 (b) The ~~State and Public School Life and Health Insurance Board~~ State

1 Board of Finance may develop and promulgate rules for the administration of  
2 this subchapter for the plans providing health benefits to state and public  
3 school employees under § 21-5-401 et seq.

4  
5 SECTION 23. Arkansas Code § 23-79-1702(1), concerning definitions  
6 under the Emerging Therapy Act of 2017, is amended to read as follows:

7 (1) "Board" means the ~~State and Public School Life and Health~~  
8 ~~Insurance Board~~ State Board of Finance;

9  
10 SECTION 24. Arkansas Code § 23-79-1703 is amended to read as follows:

11 23-79-1703. ~~State and Public School Life and Health Insurance Board~~  
12 State Board of Finance – Requirements.

13 (a) By the end of plan year 2017, the ~~State and Public School Life and~~  
14 ~~Health Insurance Board~~ State Board of Finance shall explore the evidence  
15 supporting opportunities for benefit modification informed by:

- 16 (1) The Choosing Wisely Initiative;
- 17 (2) Emerging therapies; and
- 18 (3) Therapeutic alternatives to invasive surgical procedures,  
19 such as regenerative injection therapy.

20 (b) By July 2018, the board shall:

- 21 (1) Identify and consider implementation of pilot programs that  
22 include stepped therapy or center of excellence approaches, or both, for  
23 which evidence demonstrates cost savings to the plan; and
- 24 (2) Identify opportunities to stimulate conversations between  
25 patients and providers about appropriate and necessary treatment, including  
26 treatment recommendations identified by the Choosing Wisely Initiative.

27  
28 SECTION 25. Arkansas Code § 23-79-1704(1), concerning legislative  
29 findings under the Emerging Therapy Act of 2017, is amended to read as  
30 follows:

31 (1) The ~~State and Public School Life and Health Insurance Board~~  
32 State Board of Finance has a fiduciary obligation to explore cost-effective  
33 treatments for its members;

34  
35 SECTION 26. Arkansas Code § 25-1-302(a)(21), concerning members of  
36 specified executive branch boards and commissions not to be members of the

1 General Assembly, is repealed.

2 ~~(21) State and Public School Life and Health Insurance Board, §~~  
3 ~~21-5-402;~~

4

5 SECTION 27. Arkansas Code § 25-16-903(49), concerning authorization  
6 for a sixty-dollar stipend, is repealed.

7 ~~(49) State and Public School Life and Health Insurance Board;~~

8

9 SECTION 28. Arkansas Code § 25-43-1502(a)(9), concerning the state  
10 entities transferred to the Department of Transformation and Shared Services;  
11 is repealed.

12 ~~(9) The State and Public School Life and Health Insurance Board,~~  
13 ~~created under § 21-5-402; and~~

14

15 SECTION 29. EMERGENCY CLAUSE. It is found and determined by the  
16 General Assembly of the State of Arkansas that the decisions currently made  
17 by the State and Public School Life and Health Insurance Board are of  
18 critical importance to the financial health of the state; that the State  
19 Board of Finance shall preserve the public peace, health, and safety by  
20 effectively administering the State and Public School Life and Health  
21 Insurance Program; that this act provides for the abolition of the State and  
22 Public School Life and Health Insurance Board, and the transfer of the duties  
23 of the State and Public School Life and Health Insurance Board to the State  
24 Board of Finance; and that this act is immediately necessary because the  
25 decisions made by the State Board of Finance are necessary to ensure that the  
26 State and Public School Life and Health Insurance Program administered by the  
27 State Board of Finance provides its vital services to the public school and  
28 state employees and to ensure that there are no disruptions or complications  
29 with vital employee benefits. Therefore, an emergency is declared to exist,  
30 and this act being immediately necessary for the preservation of the public  
31 peace, health, and safety shall become effective on:

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

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

36 (3) If the bill is vetoed by the Governor and the veto is

1 overridden, the date the last house overrides the veto.

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**APPROVED: 4/28/21**