

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

INTERIM STUDY PROPOSAL 2009-020

State of Arkansas  
87th General Assembly  
Regular Session, 2009

# A Bill

HOUSE BILL 1891

By: Representative Nickels

Filed with: House Interim Committee on Public Health, Welfare and Labor  
pursuant to A.C.A. §10-3-217.

## For An Act To Be Entitled

AN ACT TO ESTABLISH A UNIFIED HEALTH CARE BENEFIT PROGRAM FOR ALL PUBLICLY FUNDED EMPLOYEES AND RETIRED EMPLOYEES; AND FOR OTHER PURPOSES.

### Subtitle

TO ESTABLISH A UNIFIED HEALTH CARE BENEFIT PROGRAM FOR ALL PUBLICLY FUNDED EMPLOYEES AND RETIRED EMPLOYEES.

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

SECTION 1. Arkansas Code § 21-5-401 is amended to read as follows:  
21-5-401. Legislative intent.

It is the purpose of this subchapter to:

(1) Create a single board to select health insurance and life insurance plan coverages for ~~state and public school~~ publicly funded employees and retirees;

(2) Develop self-funded health programs to enhance the ability to control premiums and utilize managed care capabilities if feasible and in the best interest of plan members; and

(3) Enable a single board to:

(A) Set and manage policies for the health insurance and life insurance programs of ~~state and public school~~ publicly funded employees;

(B) Work in a concerted effort toward a common goal of



1 parity between ~~public school and state~~ publicly funded employee and retiree  
2 insurance programs;

3 (C) Improve the quality of health care services under the  
4 programs;

5 (D) Increase participants' understanding of program  
6 features; and

7 (E) Slow the rate of growth in health care expenses under  
8 the programs.

9  
10 SECTION 2. Arkansas Code § 21-5-403 is amended to read as follows:

11 21-5-403. Policy-making body only – Reports.

12 (a) The State and Public School Life and Health Insurance Board shall  
13 be a policy-making body only.

14 (b) The executive director shall report upon request to the House  
15 ~~Interim~~ Committee on Insurance and Commerce and the Senate ~~Interim~~ Committee  
16 on Insurance and Commerce regarding the ~~state and public school~~ publicly  
17 funded employees and retirees insurance program.

18  
19 SECTION 3. Arkansas Code § 21-5-404(3), concerning the powers, duties,  
20 and functions of the State and Public School Life and Health Insurance Board,  
21 is amended to read as follows:

22 (3) To prepare a comprehensive analysis of the various health  
23 benefit plan options approved by the board to provide coverage to ~~state and~~  
24 ~~public school~~ publicly funded employees and retirees, including cost,  
25 quality, and access differentials among the various plans as well as any  
26 other comparisons of the plans;

27  
28 SECTION 4. Arkansas Code § 21-5-405(a), concerning the duties of the  
29 State and Public School Life and Health Insurance Board, is amended to read  
30 as follows:

31 (a) The State and Public School Life and Health Insurance Board and  
32 the executive director shall take a risk management approach in designing the  
33 ~~state and public school~~ publicly funded employees and retirees benefit  
34 programs. The board shall ensure that the ~~state and public school~~ publicly  
35 funded employees and retirees benefit programs are maintained on an  
36 actuarially sound basis as determined by actuarial standards established by

1 the board.

2

3 SECTION 5. Arkansas Code § 21-5-405(b)(4), concerning the duties of  
4 the State and Public School Life and Health Insurance Board, is amended to  
5 read as follows:

6 (4)(A) Utilize the combined purchasing power of the ~~state~~  
7 ~~employee and public school~~ employee, retiree, participating entity, and  
8 participating institution personnel programs to foster competition among  
9 vendors and providers for the programs.

10 (B) Any ~~state agency or school district~~ employee, retiree,  
11 participating entity, and participating institution that accepts state funds  
12 intended to partially defray the cost of health and life insurance for ~~the~~  
13 ~~employees of the state and public schools~~ an employee, retiree, participating  
14 entity, or participating institution shall:

15 (i) Use those funds only for the ~~state and public~~  
16 ~~school employees~~ health benefit plans sponsored by the board; and

17 (ii) Agree to rules of participation as stated in  
18 the policies adopted by the board and as defined in the regulations and  
19 procedures issued by the Executive Director of the Employee Benefits  
20 Division, including, but not limited to, timely eligibility reporting,  
21 prepayment of insurance premiums, actuarial adjustment for new enrollees, and  
22 any other requirements deemed necessary by the board;

23

24 SECTION 6. Arkansas Code § 21-5-406(e)(3)(A), concerning the  
25 implementation of benefit programs, is amended to read as follows:

26 (3)(A) The executive director shall have the authority to  
27 supervise the implementation and day-to-day management of the health  
28 insurance programs and other employee benefit programs, plans, and individual  
29 and group policies made available to ~~state and public school~~ employees, if  
30 applicable.

31

32 SECTION 7. Arkansas Code § 21-5-406(e)(3)(E), concerning the exemption  
33 of the Arkansas State Police Employee Health Plan from mandatory  
34 participation, is repealed.

35 ~~(E) The Arkansas State Police Employee Health Plan shall~~  
36 ~~be exempt from any mandatory participation required by this section.~~

1  
2 SECTION 8. Arkansas Code § 21-5-407 is amended to read as follows:  
3 21-5-407. Definitions.

4 As used in this subchapter:

5 (1) "Aggregate performance information" means a report or other  
6 means of communication about the measurement of accomplishment of the  
7 execution of certain tasks, achievement of certain results, or occurrence of  
8 certain events related to all patients or to a class or group of patients  
9 identifiable by certain criteria;

10 (2) "Alternate retirement plan retiree" means a retiree of  
11 certain institutions whose employer does not contribute to the State or  
12 Public School Health Insurance Plan during his or her active employment as  
13 defined in § 24-7-801. Further, an "alternate retirement plan", for the  
14 purposes of this section, is a defined contribution plan allowed under the  
15 Internal Revenue Service regulations and allowed but not created by Arkansas  
16 state law;

17 (3) "Dependent" means any member of an employee's or retiree's  
18 family who meets the eligibility for coverage under the health benefit plans  
19 approved by the State and Public School Life and Health Insurance Board;

20 (4) "Dual eligibility" means simultaneous participation as an  
21 employee, dependent, or retiree in the multiple programs offered by the  
22 Employee Benefits Division;

23 (5) "Eligible inactive retiree" means a former member of the  
24 General Assembly or a state-elected constitutional officer who has served a  
25 sufficient number of years of credited service to be eligible for retirement  
26 benefits but who has not yet reached retirement age. Eligible inactive  
27 retirees who enroll in the plan must pay the entire premium cost as set by  
28 the board;

29 (6) "Employee" means ~~a state employee or a public school~~  
30 ~~district employee;~~ an employee who is paid all or part of his or her salary  
31 by public funds, including without limitation an employee of:

32 (A) The State of Arkansas;

33 (B) A public school district;

34 (C) A county;

35 (D) A municipality;

36 (E) An incorporated or unincorporated town;

1                   (F) A constitutional branch of government, office,  
2 officer, agency, department, commission, or institution;

3                   (G) An institution of higher education; and

4                   (H) An agency, instrumentally, board, commission, or  
5 political subdivision of:

6                   (i) The State of Arkansas;

7                   (ii) A public school district;

8                   (iii) A county;

9                   (iv) A municipality;

10                  (v) An incorporated or unincorporated town;

11                  (vi) A constitutional branch of government, office,  
12 officer, agency, department, commission, or institution; or

13                  (vii) An institution of higher education;

14                  (7) "Health insurance representative" means an individual  
15 appointed by a participating entity to act as an agent for the Employee  
16 Benefits Division;

17                  (8) "Ineligible inactive retiree" means a terminated employee  
18 who has worked a sufficient number of years to be considered vested but who  
19 has not yet reached the age to qualify to receive a retirement benefit;

20                  (9) "Internal Revenue Service" means the United States  
21 government agency responsible for tax collection and tax law enforcement;

22                  (10) "Member" means any enrolled ~~state or public school~~  
23 employee, retiree, or covered dependent;

24                  (11) "Participating entity" means an organization authorized to  
25 participate in a plan offered under this subchapter;

26                  (12) "Participating institution" means any two-year, ~~or~~ four-  
27 year, or graduate college ~~college~~ that is participating in a plan offered under this  
28 subchapter;

29                  (13) "Prepayment" means collection of medical or life insurance  
30 premiums or both medical and life insurance premiums from the employee and  
31 employer one (1) month in advance;

32                  (14) "Publicly funded" means at least partially paid for by  
33 federal, state, county, municipal, or other funds received from any taxing  
34 unit;

35                  ~~(14)~~(15) "Qualifying event" means a change in an employee's  
36 personal life that may impact his or her eligibility or a dependent's

1 eligibility for benefits, as defined by Internal Revenue Service guidelines;  
2 ~~(15)~~(16) "Quality-of-care information" means the contents of  
3 medical records, member claims, patient surveys, pharmacy data, lab data, and  
4 other records of or reports about systems, networks, hospitals, and clinical  
5 providers to be gathered for assessment of the quality and costs of health  
6 care provided by systems, networks, hospitals, and clinical providers;

7 ~~(16)~~(17) "Quality performance indicator" means a specific  
8 inquiry or standard that, when applied to quality-of-care information,  
9 reveals a quantifiable measure of success or failure in system, network,  
10 hospital, or clinical provider care;

11 ~~(17)~~(18) "Retiree" means a retired employee who is eligible  
12 under ~~the provisions of § 21-5-411 or any other publicly funded retirement~~  
13 system;

14 ~~(18)~~(19) "State" means the State of Arkansas; and

15 ~~(19)~~(20) "Vendor" means:

16 (A) A corporation, partnership, or other organization  
17 licensed to do business and in good standing with the State of Arkansas; and

18 (B) A corporation, partnership, or other organization  
19 licensed to do business and in good standing with the State of Arkansas that  
20 is lawfully engaged in administering employer-funded or employee-funded  
21 benefit plans for employer groups in consideration of an administration fee  
22 payable to the vendor.

23  
24 SECTION 9. Arkansas Code § 21-5-410 is amended to read as follows:

25 21-5-410. Employees – Eligibility.

26 (a) Eligible employees shall include:

27 (1) All actively employed, ~~eligible employees of participating~~  
28 ~~agencies, boards, commissions, institutions, and constitutional offices whose~~  
29 actual performance of duty requires one thousand (\$1,000) or more working  
30 hours per year;

31 ~~(2) Members of the General Assembly;~~

32 ~~(3) Elected constitutional officers;~~

33 ~~(4) Appointed or elected board and commission members who are on~~  
34 ~~a full-time salaried basis; and~~

35 ~~(5)~~(A)(2)(A) Those state contract employees hired by the  
36 Arkansas National Guard on a full-time basis in accordance with the

1 provisions of 10 U.S.C. § 2304.

2 (B) Membership of the contract employees of the Arkansas  
3 National Guard is conditioned upon the United States Government contributing  
4 the employer's share to the Employee Benefits Division of the Department of  
5 Finance and Administration.

6 (b) Membership of a state employee is conditioned upon the employee  
7 being in a budgeted state employee position or a position authorized by the  
8 General Assembly.

9 ~~(c) Employees whose actual performance of duty requires one thousand~~  
10 ~~(1,000) or more working hours per year.~~

11 ~~(d) If a participating institution discontinues its participation in~~  
12 ~~the group health and life insurance program instituted pursuant to the~~  
13 ~~provisions of this subchapter, then the institution may not re-participate in~~  
14 ~~the program for two (2) years after the institution's final date of~~  
15 ~~participation in the program unless the executive director of the Employee~~  
16 ~~Benefits Division of the Department of Finance and Administration gives his~~  
17 ~~or her consent to an earlier date.~~

18 ~~(e)(c) Members are not allowed dual eligibility in either the state~~  
19 ~~insurance plan or the public school an insurance plan offered under this~~  
20 ~~subchapter.~~

21 ~~(f) The Arkansas State Police Employee Health Plan shall be exempt~~  
22 ~~from any mandatory participation required by this section.~~

23  
24 SECTION 10. Arkansas Code § 21-5-411 is amended to read as follows:

25 21-5-411. Eligibility of ~~certain~~ retired employees.

26 (a)(1) ~~State and public school employees~~ A retiree shall be allowed to  
27 continue coverage and, if qualified, to participate in the group health  
28 insurance program instituted pursuant to the provisions of this subchapter  
29 and other laws enacted to implement the program who are+

30 ~~(A) Participating members of:~~

31 ~~(i) The Arkansas Public Employees' Retirement~~  
32 ~~System, including the members of the legislative division and the contract~~  
33 ~~personnel of the Arkansas National Guard;~~

34 ~~(ii) The Arkansas Teacher Retirement System;~~

35 ~~(iii) The Arkansas State Highway Employees'~~  
36 ~~Retirement System;~~

1                   ~~(iv) The Arkansas Judicial Retirement System; or~~  
2                   ~~(v) An alternate retirement plan of a qualifying~~  
3 ~~institution under § 24-7-801; and~~

4                   ~~(B) Retired~~ retired and drawing benefits under ~~the systems~~  
5 publicly funded retirement systems.

6                   (2)(A)(i) If members of these retirement systems receive  
7 retirement benefits, thereby becoming active retirees, the active retirees  
8 shall elect to enroll in the health benefit program sponsored by the State  
9 and Public School Life and Health Insurance Board.

10                   (ii) The election to enroll in the retiree insurance  
11 program shall be made within thirty-one (31) days of the member's becoming an  
12 active retiree and shall be made in writing to the Employee Benefits Division  
13 on forms required by the Employee Benefits Division.

14                   (B)(i) To be eligible to continue coverage or to qualify  
15 for coverage after electing to decline participation, the member must have  
16 been covered on the last day of the member's employment.

17                   (ii) If a retiree declines coverage at the time of  
18 retirement due to other employer-sponsored group health insurance coverage,  
19 the retiree may make a one-time election to return to the retiree insurance  
20 program with proof of continued insurance coverage if the retiree experiences  
21 a qualifying event.

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

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



1 is defined by Internal Revenue Service and Health Insurance Portability and  
2 Accountability Act (HIPPA) guidelines for special enrollment periods.

3 (3)(A) Notwithstanding any other provision to the contrary in  
4 this section, an employee with ten (10) or more years of creditable service  
5 under the terms of a retirement plan ~~listed in this section~~ shall qualify for  
6 continuation of health insurance coverage offered by the board if that  
7 employee is separated from employment because of the expiration of a fixed  
8 period of employment.

9 (B)(i) An employee qualifying for continuation of coverage  
10 under this subsection ~~shall be considered~~ is an "inactive retiree" and shall  
11 have thirty-one (31) days from the effective date of termination to elect to  
12 continue health insurance coverage under this section by notifying the  
13 Employee Benefits Division.

14 (ii) The election shall be made in writing on forms  
15 required by the Employee Benefits Division.

16 (C)(i) Except as provided in subdivision (a)(3)(C)(ii) of  
17 this section, an inactive retiree's failure to make an election during the  
18 thirty-one-day election period or an inactive retiree's election to decline  
19 participation in the health program is final.

20 (ii) If an inactive retiree as defined in § 21-5-407  
21 declining coverage specifies in writing that the reason for the declination  
22 is because the inactive retiree has coverage through another group health  
23 plan and the inactive retiree's coverage is subsequently terminated because  
24 of a loss of eligibility, then the inactive retiree and any dependents shall  
25 qualify for coverage in a board-sponsored health benefit program upon payment  
26 of the appropriate premium as established by the board, provided the inactive  
27 retiree applies for coverage within thirty-one (31) days of the loss of  
28 eligibility.

29 (D) An eligible inactive retiree shall be reclassified as  
30 an "active retiree" upon electing to receive a retirement benefit by a  
31 retirement system listed within this section and shall be charged the premium  
32 rate appropriate for his or her rating category as an active retiree.

33 (4)(A) As used in this subsection, "loss of eligibility" means a  
34 loss of coverage as a result of a legal separation, divorce, death of the  
35 insured, termination of employment, or a reduction in the number of hours of  
36 employment.

1 (B) "Loss of eligibility" shall not include a loss of  
2 coverage from a failure to pay premiums on a timely basis, voluntary  
3 termination of coverage, or a termination of coverage for cause, such as  
4 making a fraudulent claim.

5 (b)(1) Persons who draw retirement benefits under ~~the Arkansas Public~~  
6 ~~Employees' Retirement System, the Arkansas Teacher Retirement System, or the~~  
7 ~~Arkansas State Highway Employees' Retirement System, a publicly funded~~  
8 retirement system and retired contract employees of the Arkansas National  
9 Guard who wish to participate in the group insurance program provided for in  
10 this subchapter shall pay the retiree amount of the premium or the cost of  
11 the policy issued to the retired participant.

12 (2) The retiree portion of the premium or cost shall be deducted  
13 from the retirement benefit checks of the retired participants. If the  
14 retirement benefit is not large enough for the premium deduction, the premium  
15 shall be paid by monthly bank draft on a designated date prescribed by the  
16 Employee Benefits Division.

17 (c) Members of the Arkansas Public Employees' Retirement System and  
18 the Arkansas State Highway Employees' Retirement System who retire before  
19 January 2, 1988, under ~~the provisions of~~ the Incentives for Early Retirement  
20 Act, §§ 24-4-732, 24-5-122, and 24-6-102, shall not have to pay the full  
21 amount of the premium and shall pay a portion of the cost of the policy as  
22 set forth by the Incentives for Early Retirement Act, §§ 24-4-732, 24-5-122,  
23 and 24-6-102.

24 (d) Any future change in coverage other than cancellation shall be  
25 extended only to newly acquired dependents, except that if an active or  
26 inactive retiree declined dependent coverage at the time of election to be an  
27 active or inactive retiree and specified in writing that the reason for the  
28 declination was that the dependent had other coverage, and if subsequently  
29 the dependent involuntarily loses such coverage, except for fraud or  
30 voluntary cessation of premium payment while the active or inactive retiree  
31 is covered by the plan, then the dependent may be added within thirty-one  
32 (31) days of the involuntary termination to the active or inactive retiree's  
33 health insurance coverage for payment of the appropriate premium as  
34 established by the board.

35 (e) If a retiree dies and has covered dependents at the time of death,  
36 the dependents have the right to continue coverage under the plan. Dependent

1 children may be covered until marriage or until the maximum age limit for a  
 2 dependent child has been reached. A surviving spouse may continue coverage  
 3 under the plan. If a surviving spouse or dependent declines coverage or  
 4 cancels existing coverage, then the surviving spouse or dependent has no  
 5 further privileges under the plan.

6  
 7 SECTION 11. Arkansas Code § 21-5-414 is amended to read as follows:

8 21-5-414. State contributions generally – Partial state contribution  
 9 of employees' premiums.

10 (a) The Department of Finance and Administration shall seek the advice  
 11 of the Legislative Council and the House ~~Interim~~ Committee on Insurance and  
 12 Commerce and the Senate ~~Interim~~ Committee on Insurance and Commerce before  
 13 additional contributions ~~can~~ may be made.

14 (b)(1) The State of Arkansas, on behalf of ~~agencies~~ an employee,  
 15 retiree, participating entity, or participating institution participating in  
 16 ~~the plans adopted by the state~~ a plan adopted under this subchapter, ~~is~~  
 17 ~~authorized to~~ may make a monthly contribution equal to the number of budgeted  
 18 ~~state~~ employee positions multiplied by the monthly contribution authorized by  
 19 the Chief Fiscal Officer of the State, not to exceed four hundred twenty-five  
 20 dollars (\$425) monthly for each ~~state~~ employee budgeted position into a fund  
 21 designated for ~~state~~ employee health benefits, to partially defray the cost  
 22 of life and health insurance for employees ~~of the state~~ participating in the  
 23 plan sponsored by the State and Public School Life and Health Insurance  
 24 Board.

25 (2) The department may make a monthly contribution to partially  
 26 defray the cost of health insurance for ~~state employee~~ retirees, utilizing  
 27 funds made available for that purpose, not to exceed the amount authorized by  
 28 the Chief Fiscal Officer of the State.

29  
 30 SECTION 12. Arkansas Code § 21-5-415 is amended to read as follows:

31 21-5-415. Nonpayment of premiums and failure to file reports ~~by agency~~  
 32 ~~or school district.~~

33 (a)(1) If any ~~participating agency or school district~~ employee,  
 34 retiree, participating entity, or participating institution does not remit  
 35 insurance premiums and required monthly reports to the Employee Benefits  
 36 Division of the Department of Finance and Administration by the last calendar

1 day of each billing month, the division shall impose a penalty of two dollars  
2 (\$2.00) per insured member or one hundred dollars (\$100), whichever is  
3 greater.

4 (2) Penalties will be assessed and invoiced based on the actual  
5 number of members included on the monthly billing report that is past due.  
6 Invoices will be processed at the beginning of the month following the  
7 infraction.

8 (3) Penalties ~~shall be~~ are payable to the Employee Benefits  
9 Division and ~~must~~ shall be received by the division no later than the last  
10 calendar day of the month following invoicing.

11 (4) If payment is not received by the division by the due date,  
12 the following collection methods may be used:

13 (A)(i) The Chief Fiscal Officer of the State may cause the  
14 amount sought to be transferred to the division from:

15 (a) Funds the ~~agency or school district~~  
16 employee, retiree, participating entity, or participating institution has on  
17 deposit with the Treasurer of State; or

18 (b) Any funds the ~~agency or school district~~  
19 employee, retiree, participating entity, or participating institution is due  
20 from the state.

21 (ii) If a transfer must be made, a transfer penalty  
22 of twenty dollars (\$20.00) per transfer shall be assessed each ~~agency or~~  
23 ~~school district~~ employee, retiree, participating entity, or participating  
24 institution fund and included in the transfer;

25 (B) The ~~agency director or school district superintendent~~  
26 employee, retiree, or head of the participating entity or participating  
27 institution may be required to appear before the State and Public School Life  
28 and Health Insurance Board to report the reasons for nonpayment or incorrect  
29 reporting; and

30 (C) The Chief Fiscal Officer of the State may use his or  
31 her powers ~~outlined in~~ under § 19-4-301 et seq. to aid in collection.

32 (5) Nonpayment of premiums could also result in a lapse of  
33 health and life insurance coverage for an employee or retiree or the  
34 employees of the school district, agency, or the agency an employee, retiree,  
35 participating entity, or participating institution assuming responsibility  
36 for paying health and life claims for ~~its~~ employees.

1 (b)(1) If any ~~participating agency or school district~~ employee,  
2 retiree, participating entity, or participating institution fails to follow  
3 established policy and procedures set by the executive director, including  
4 but not limited to notifying the division of an insured's leave without pay,  
5 family medical leave, or military leave status or if any participating ~~agency~~  
6 ~~or school district~~ employee, retiree, participating entity, or participating  
7 institution provides incorrect benefit information or processes unauthorized  
8 benefit changes, including system entries that result in unreimbursed  
9 expenses to the State Employees Benefits Trust Fund or Public School  
10 Employees Insurance Trust Fund, the division shall have the right to:

11 (A) Require the ~~agency~~ employee, retiree, participating  
12 entity, or participating institution to pay the total amount of the insured's  
13 premium; and

14 (B) Impose a penalty of fifty dollars (\$50.00) per  
15 insured.

16 (2) Penalties ~~will~~ shall be assessed and invoiced based on the  
17 actual number of violations. Invoices ~~will~~ shall be processed at the  
18 beginning of the month following discovery of the infraction.

19 (3) Penalties ~~shall be~~ are payable to the Employee Benefits  
20 Division and ~~must~~ shall be received by the last calendar day of the month  
21 following invoicing.

22 (4) The Chief Fiscal Officer of the State may cause the amount  
23 sought to be transferred from:

24 (A) Funds the ~~agency or school district~~ employee, retiree,  
25 participating entity, or participating institution has on deposit with the  
26 Treasurer of State; or

27 (B) Any funds the ~~agency or school district~~ employee,  
28 retiree, participating entity, or participating institution is due from the  
29 state.

30 (5) If a transfer is made, a transfer penalty of twenty dollars  
31 (\$20.00) per transfer shall be assessed each ~~agency or school district~~  
32 employee, retiree, participating entity, or participating institution fund  
33 and included in the transfer.

34 (c) The division may correct any error regarding an insured's benefits  
35 according to existing documentation without authorization or prior  
36 notification to the ~~agency or school district~~ employee, retiree,

1 participating entity, or participating institution.

2  
3 SECTION 13. Arkansas Code § 21-5-417 is amended to read as follows:

4 21-5-417. State contribution for employee receiving workers'  
5 compensation.

6 Notwithstanding any other provisions of the law, ~~a state agency~~ an  
7 employee, retiree, participating entity, or participating institution shall  
8 remit the employer's contribution to the Employee Benefits Division for ~~state~~  
9 employees when the employee is in a leave-without-pay status because of a  
10 work-related injury and is receiving benefits from workers' compensation.

11  
12 SECTION 14. Arkansas Code Title 21, chapter 5, subchapter 4 is amended  
13 to add an additional section to read as follows:

14 21-5-418. Unified health care program.

15 (a) The State and Public School Life and Health Insurance Board shall  
16 establish and the Employee Benefits Division shall administer an expanded  
17 health care program under this subchapter to make benefits available to all  
18 eligible publicly funded employees and retirees.

19 (b) If an entity or institution has an employee or retiree that is  
20 eligible for benefits under this subchapter, the entity or institution shall  
21 offer health insurance benefits to its employees and retirees exclusively  
22 under this subchapter.

23  
24 SECTION 15. Effective date.

25 This act becomes effective January 1, 2010.

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36 Filed Date: 04/02/2009 By: DLP\VJF