

MINUTES

JOINT SUBCOMMITTEE ON  
PUBLIC SCHOOL EMPLOYEE HEALTH INSURANCE  
OF THE  
HOUSE AND SENATE INTERIM COMMITTEES ON EDUCATION

Wednesday, October 24, 2012  
UPON ADJOURNMENT  
Room 171, State Capitol  
Little Rock, Arkansas

Representative Randy Stewart, the House Co-Chair of the Joint Subcommittee on Public School Employee Health Insurance of the House and Senate Interim Committees on Education, called the meeting to order at 3:00 p.m.

**MEMBERS OF THE SENATE INTERIM SUBCOMMITTEE ON PUBLIC SCHOOL EMPLOYEE HEALTH INSURANCE IN ATTENDANCE:** Senator Johnny Key, Chair; Senator Joyce Elliott; and Senator Jimmy Jeffress, ex-officio.

**MEMBERS OF THE HOUSE INTERIM SUBCOMMITTEE ON PUBLIC SCHOOL EMPLOYEE HEALTH INSURANCE IN ATTENDANCE:** Representative Randy Stewart, Chair; Representative Robert Dale; Representative Karen Hopper; Representative Homer Lenderman; Representative Tim Summers; and Representative Tommy Wren.

**OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE:** Senator Mike Fletcher; Senator Eddie Joe Williams; Representative Nate Bell; Representative Ann Clemmer; Representative David Meeks; Representative James Ratliff; Representative Johnnie Roebuck; and Representative Tiffany Rogers.

Remarks by the Co-Chairs

Representative Stewart discussed the rationale for the creation of the Joint Subcommittee on Public School Employee Health Insurance. He then recognized **Senator Johnny Key**, the Senate Co-Chair, who reviewed the documents in the information binder provided to Subcommittee members.

Review of Issues Related to Public School Employee Health Insurance

**Mr. Jason Lee**, Executive Director, Employees Benefits Division (EBD), Department of Finance and Administration (DF&A), was recognized, and explained the premiums calculation methodology used to determine the rates to be paid by both state employees and public school employees as well as the retirees of each respective group (*Handout #1*). Mr. Lee stated the health plans for each of these two groups are managed separately by EBD. He also outlined the guidelines used when setting rates for each group, noting the strong similarities between each group.

**Ms. Nell Smith**, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized, and advised the Subcommittee that Research Staff was reviewing the Funding Matrix in an effort to identify health insurance related costs. In the discussion that followed, the Subcommittee reviewed the following topics:

- the legal distinction between state employees and public school employees,
- the participation rates for state employees and public school employees in the three (3) health insurance benefit plans offered by EBD,
- similarities and differences in the three (3) health insurance benefit plans offered by EBD to state employees and public school employees,
- enhancement of coverage for children in the Bronze plan to increase enrollment in that plan option,
- historical background of funding for the public school employee insurance program, including the cost of equalizing the funding between the public school employee and state employee programs,
- options to more efficiently fund the public school employee insurance program,
- options for school districts to establish their own health insurance benefit programs and any required statutory/regulatory changes that would be required,
- feasibility of and statutory/legal barriers to backing monies out of the public school funding matrix to help fund public school employee health insurance premium rates,
- reporting requirements of the State and Public School Life & Health Insurance Board, which is statutorily charged with oversight of the state employee and public school employee health insurance programs,
- characteristics of the state employee and public school employee groups and the impact of these characteristics on the premium rates for each group, and
- short-term and long-term potential for a fiscal crisis in the public school employee health insurance program.

Representative Stewart announced that the next meeting of the Subcommittee is scheduled for Thursday, November 1, 2012, at 3:00 p.m. in Room 171 of the State Capitol. Senator Key stated that at the November 1st meeting, Ms. Smith would make a presentation on the impact of the federal Affordable Care Act.

Representative Stewart encouraged members who have questions or who need additional information to forward these requests to either of the co-chairs or staff.

The meeting adjourned at 5:03 P.M.

*Approved: 12/20/12*