

1 State of Arkansas

2 80th General Assembly

3 Regular Session, 1995

4 By: Representative Critcher

5

6

7

A Bill

HOUSE BILL

1837

For An Act To Be Entitled

8 "AN ACT TO AMEND VARIOUS SECTIONS OF SUBCHAPTER 4 OF TITLE
9 21, CHAPTER 5 OF THE ARKANSAS CODE OF 1987 ANNOTATED TO
10 PROVIDE THAT THE STATE EMPLOYEES GROUP HEALTH INSURANCE
11 PROGRAM SHALL EXTEND ITS COVERAGE TO EMPLOYEES, FORMER
12 EMPLOYEES, AND RETIRED EMPLOYEES UNTIL THEY CHOOSE TO
13 TERMINATE COVERAGE AS LONG AS PREMIUMS ARE PAID; AND FOR
14 OTHER PURPOSES."

15

16

Subtitle

17

18

19

20

21

22

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

24

25 SECTION 1. Arkansas Code § 21-5-409 is amended to read as follows:

26

"21-5-409. Procedure for selecting policies.

27

28

29

30

31

32

33

34

35

(a) Before selecting any policy or entering into any agreement with an insurance company or companies for the providing of life or disability insurance for state employees as authorized in this subchapter, the committee shall publicize, by insertion in one (1) or more newspapers having a general circulation in the State of Arkansas, notice that bid proposals for providing of life or disability insurance for state employees will be received by the committee on the date and at the place stated in the notice. The notice shall be published by two (2) insertions. The first insertion is to be published at least thirty (30) days prior to the date for receiving bids, and the second

1 insertion is to be published not later than two (2) weeks prior to the date
2 for receiving bids.

3 (b)(1) Bid solicitations shall:

4 (A) Be uniform in format and shall clearly indicate how
5 bids are to be computed; and

6 (B) State the obligations of the successful bidder and
7 include a penalty clause for breach of contract.

8 (2) Bid solicitation for the administration of the
9 self-insurance program shall require bidders to submit their proposed cost
10 control features with their bid.

11 (c) At the time and place established in the notice for receiving bid
12 proposals, the committee, in a public meeting, shall open all bids, and all
13 bids so opened shall be made available for public inspection.

14 (d) *Each bid proposal shall be evaluated in accordance with the*
15 *uniform criteria established by the State Insurance Commissioner for*
16 *evaluating benefits in relation to premiums to be charged therefor. The*
17 *committee shall also make a determination that each company submitting a bid*
18 *meets the minimum standards for financial solvency and ability to provide*
19 *services as promulgated by the State Insurance Commissioner. Each policy or*
20 *plan for disability insurance for persons who have been employees of the*
21 *state for at least two (2) years shall provide that the policy or plan will*
22 *continue to be in effect after termination of employment unless the employee*
23 *terminates voluntarily or is terminated for gross misconduct until the*
24 *employee reaches age 65 or otherwise qualifies for medicare coverage or until*
25 *the employee becomes eligible for coverage under another group health plan*
26 *and so long as the premiums are paid in full by the former state employee,*
27 *plus a fee of two percent (2%) to the state agency for administration costs,*
28 *provided, however, the former state employee's coverage may be terminated*
29 *upon proof of the former employee's submission of any fraudulent claim.*

30 (e) After reviewing all bids, the committee may approve the policy
31 proposal with the company which the committee determines has submitted the
32 bid with the best benefit coverage in relation to the premiums to be paid and
33 which the committee determines to be in the best interest of the state
34 employees life and disability program.

35 (f) The committee may reject any and all bids and readvertise for bids

1 in the manner herein set forth."

2

3 SECTION 2. Arkansas Code § 21-5-410 is amended to read as follows:

4 "21-5-410. Eligibility of employees generally.

5 (a) Eligible employees shall include all actively employed permanent
6 employees of eligible participating agencies, boards, commissions,
7 institutions, and constitutional offices; members of the General Assembly;
8 elected constitutional officers; appointed or elected board and commission
9 members who are on a full-time salaried basis; and those state contract
10 employees hired by the Arkansas National Guard on a full-time basis in
11 accordance with the provisions of 10 U.S.C. 2304.

12 (b) Membership of the contract employees of the Arkansas National
13 Guard is conditioned upon the federal government contributing the employer's
14 share to the Insurance Section.

15 (c) Permanent employees are those whose employment is not seasonal or
16 temporary and whose actual performance of duty requires one thousand (1,000)
17 or more working hours per year.

18 (d) *Eligible employees who have been employees of the state for at*
19 *least two (2) years shall, upon termination of employment, unless termination*
20 *is voluntarily or is for employee gross misconduct, continue to be covered*
21 *under the state employee's disability insurance plan until the employee*
22 *reaches age 65 or otherwise qualifies for medicare coverage or until the*
23 *employee becomes eligible for coverage under another group health plan and so*
24 *long as the premiums are paid in full by the former employee, plus a fee of*
25 *two percent (2%) to the state agency for administration costs, provided*
26 *however, the former state employee's health coverage may be terminated upon*
27 *proof of the employee's submission of any fraudulent claim."*

28

29 SECTION 3. Arkansas Code § 21-5-411 is amended to read as follows:

30 "21-5-411. Eligibility of certain retired employees.

31 (a) State employees who are members of:

32 (1) The Arkansas Public Employees' Retirement System including
33 the members of the legislative division and the contract personnel of the
34 Arkansas National Guard;

35 (2) The Teacher Retirement System;

1 (3) The Arkansas State Highway Employees' Retirement System; and
2 (4) The Arkansas Judicial Retirement System;

3 who are now retired and drawing benefits under the systems and members of
4 those systems who hereafter retire and receive retirement benefits under the
5 systems shall be eligible to participate in the group health insurance
6 program instituted pursuant to the provisions of this subchapter and other
7 laws enacted to implement the program and shall continue to be covered under
8 the group insurance program as long as they choose to continue and pay the
9 full amount of the premiums or cost of the policy, *provided, however, the*
10 *insurance coverage may be terminated upon proof of a retired employee's*
11 *submission of any fraudulent claims.*

12 (b) Persons who draw retirement benefits under the Public Employees'
13 Retirement System, the Teachers Retirement System, or the State Highway
14 Employees' Retirement System, and retired contract employees of the Arkansas
15 National Guard who wish to participate in the group insurance program
16 provided for in this subchapter shall pay the full amount of the premium or
17 cost of the policy issued to such retired participant. The premium or cost
18 shall be deducted from the retirement benefit check of the retired
19 participants.

20 (c) Eligible employees of institutions of higher education who are
21 retired with at least ten (10) years of creditable service after July 1,
22 1983, shall be allowed to participate in the group insurance program provided
23 for in this subchapter but shall pay the full amount of the premium or cost
24 of the policy issued to the retired participant. All eligible participants
25 shall continue to be covered under the group insurance program as long as
26 they choose to continue and pay the full amount of the premiums or cost of
27 the policy, *provided, however, the insurance coverage may be terminated upon*
28 *proof of a participant's submission of any fraudulent claims.*

29 (d) Members of the Arkansas Public Employees' Retirement System and
30 the Arkansas State Highway Employees' Retirement System who retire before
31 January 2, 1988, under the provisions of the Incentives for Early Retirement
32 Act shall not have to pay the full amount of the premium and shall pay a
33 portion of the cost of the policy as set forth by the Incentives for Early
34 Retirement Act of 1987.

35 (e) Any future change in coverage shall be extended to newly acquired

1 dependents. Eligible retired employees shall be covered under the state
2 employees life and disability insurance policies and shall continue to be
3 covered as long as they choose to be covered and the full amount of the
4 premiums are paid, *provided, however, the insurance coverage may be*
5 *terminated upon proof of a retired employee's submission of any fraudulent*
6 *claims."*

7

8 SECTION 4. All provisions of this act of general and permanent nature
9 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
10 Revision Commission shall incorporate the same in the Code.

11

12 SECTION 5. If any provisions of this act or the application thereof to
13 any person or circumstance is held invalid, the invalidity shall not affect
14 other provisions or applications of the act which can be given effect without
15 the invalid provisions or application, and to this end the provisions of this
16 act are declared to be severable.

17

18 SECTION 6. All laws and parts of laws in conflict with this act are
19 hereby repealed.

20

/s/Rep. Critcher

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

- 1
- 2
- 3
- 4
- 5
- 6
- 7