

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.

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

A Bill

HOUSE BILL 2598

5 By: Representative D. Johnson
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7

For An Act To Be Entitled

9 AN ACT TO REQUIRE THAT QUALITY-OF-CARE
10 INFORMATION BE REPORTED FROM NETWORKS, HOSPITALS,
11 AND CLINICAL PROVIDERS TO INFORM PLAN DESIGN,
12 PLAN MANAGEMENT, AND CONSUMER DECISIONS; AND FOR
13 OTHER PURPOSES.
14

Subtitle

15 AN ACT TO REQUIRE THAT QUALITY-OF-CARE
16 INFORMATION BE REPORTED FROM NETWORKS,
17 HOSPITALS, AND CLINICAL PROVIDERS TO
18 INFORM PLAN DESIGN, PLAN MANAGEMENT, AND
19 CONSUMER DECISIONS.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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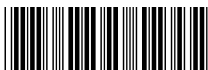
25 SECTION 1. Arkansas Code § 21-5-404 is amended to read as follows:
26 21-5-404. Powers - Functions - Duties.

27 The State and Public School Life and Health Insurance Board shall have
28 the following powers, functions, and duties:

29 (1) To explore various cost containment measures and funding
30 options;

31 (2) To promote competition among vendors and create a systematic
32 formula for measuring competitiveness of programs, quality of care delivery,
33 portability, and accessibility to, and affordability of, health care;

34 (3) To prepare a comprehensive analysis of the various health
35 benefit plan options approved by the board to provide coverage to state and
36 public school employees, including cost, quality, and access differentials



1 among the various plans, as well as any other comparisons of the plans as
2 will enable the state and school employees to make a well-informed choice of
3 plans;

4 (4) To undertake studies and to take any appropriate action
5 which the board determines will promote the financial soundness and overall
6 well-being of the state employee and public school personnel health insurance
7 programs;

8 (5) To develop, with the assistance of the Office of State
9 Procurement of the Department of Finance and Administration, bid
10 specifications and requests for proposals and evaluate bids and proposals,
11 but shall allow the office to execute all other actions relating to the
12 purchasing procedures in contracting for consultants, third party
13 administrators, providers, or insurance companies on behalf of the programs;

14 (6) To evaluate responses to requests for proposals, select
15 contractors for all services, and approve the award of contracts resulting
16 from bids for all health and life insurance offerings for participants of the
17 various plans;

18 (7) To perform plan design, summarize plan document approval,
19 including, but not limited to, lifetime limitations, copayments, deductibles,
20 and eligibility rules;

21 (8) To promote increased access to various health plan options
22 and models;

23 (9) To direct the office to contract with all qualified vendors,
24 as defined by the board, offering the health benefit plans prescribed by the
25 board without regard to § 19-11-228 or other statutes requiring competitive
26 bidding. Each contract shall be for a uniform term of at least one (1) year
27 but may be made automatically renewable from term to term in the absence of
28 notice of termination by either party; ~~and~~

29 (10)(A) To require that quality-of-care information be reported
30 from networks, hospitals, and clinical providers to inform plan design, plan
31 management, and consumer decisions.

32 (B) The board shall:

33 (i) Use accepted national standards for quality
34 assessment;

35 (ii) Be empowered to determine the appropriate use
36 of quality care data and scope of quality accountability;

1 (iii) Be empowered to request aggregate performance
2 information for all patients; and

3 (iv) Be empowered to publicly report quality
4 results; and

5 ~~(10)~~(11) To appoint ~~three (3)~~ four (4) subcommittees of the
6 board to study and research health and life plan option benefits, formulary
7 management, quality of care provided, and the financial impact of
8 implementing the recommendations made by the formulary management committee
9 to the board as follows:

10 (A)(i) The Benefits Subcommittee shall consist of:

- 11 (a) Three (3) board members;
- 12 (b) Two (2) state employees; and
- 13 (c) Two (2) school district employees.

14 (ii) The Benefits Subcommittee shall review,
15 evaluate, and investigate benefits, new benefit offerings, and annual
16 insurance rates;

17 (B)(i) The Drug Utilization and Evaluation Subcommittee
18 shall consist of:

19 (a) Two (2) pharmacists, one (1) of whom is
20 the Executive Director of the Arkansas State Board of Pharmacy or his or her
21 state employee pharmacist designee and one (1) of whom is the Dean of the
22 University of Arkansas for Medical Sciences College of Pharmacy or his or her
23 pharmacist designee;

24 (b) Two (2) physicians, one (1) of whom is the
25 physician health care provider serving on the board and one (1) of whom is
26 the Dean of the University of Arkansas for Medical Sciences College of
27 Medicine or his or her physician designee; and

28 (c) One (1) registered nurse who is the Dean
29 of the University of Arkansas for Medical Sciences College of Nursing or his
30 or her registered nurse designee.

31 (ii) The Drug Utilization and Evaluation
32 Subcommittee shall review drugs for formulary management; and

33 (C)(i) The Fiscal Subcommittee shall include two (2) board
34 members, two (2) state employees, and two (2) public school employees who
35 shall have expertise in accounting, finance, auditing, or insurance.

36 (ii) The Fiscal Subcommittee shall review and

1 evaluate the financial impact of the recommendations made by the Drug
2 Utilization and Evaluation Subcommittee.

3 (D)(i) The Quality of Care Subcommittee shall consist of:

4 (a) Two (2) Board members;

5 (b) Two (2) state employees;

6 (c) Two (2) school district employees;

7 (d) One (1) representative from the Arkansas
8 Foundation for Medical Care;

9 (e) One (1) representative from the Arkansas
10 Pharmacy Association; and

11 (f) One (1) representative from the Arkansas
12 Hospital Association.

13 (ii) The Quality of Care Subcommittee shall review
14 and recommend quality performance indicators for use, recommend baseline
15 performance goals, recommend alignment of financial incentives to improve
16 performance, and track improvements in delivery of care.