

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

*As Engrossed: H3/16/05*

# A Bill

HOUSE BILL 2598

5 By: Representative D. Johnson  
6  
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.  
20  
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22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
24

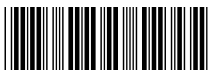
25 SECTION 1. Arkansas Code § 21-5-404 is amended to read as follows:  
26 21-5-404. Powers - Functions - Duties.

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

33 (B) The board shall:

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

1                    (ii) Be empowered to determine the appropriate use  
2 of quality-of-care information and scope of system, network, hospital, and  
3 clinical provider accountability;

4                    (iii) Be empowered to request aggregate performance  
5 information for patients; and

6                    (iv) Be empowered to publicly report conclusions of  
7 quality-of-care assessment; and

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

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

14                                    (a) Three (3) board members;

15                                    (b) Two (2) state employees; and

16                                    (c) Two (2) school district employees.

17                    (ii) The Benefits Subcommittee shall review,  
18 evaluate, and investigate benefits, new benefit offerings, and annual  
19 insurance rates;

20                    (B)(i) The Drug Utilization and Evaluation Subcommittee  
21 shall consist of:

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

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

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

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

36                    (C)(i) The Fiscal Subcommittee shall include two (2) board

1 members, two (2) state employees, and two (2) public school employees who  
2 shall have expertise in accounting, finance, auditing, or insurance.

3 (ii) The Fiscal Subcommittee shall review and  
4 evaluate the financial impact of the recommendations made by the Drug  
5 Utilization and Evaluation Subcommittee.

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

7 (a) Two (2) Board members;

8 (b) Two (2) state employees;

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

10 (d) One (1) representative from the Arkansas  
11 Foundation for Medical Care;

12 (e) One (1) representative from the Arkansas  
13 Pharmacy Association;

14 (f) One (1) representative from the Arkansas  
15 Center for Health Improvement;

16 (g) One (1) representative from the Arkansas  
17 Medical Association; and

18 (h) One (1) representative from the Arkansas  
19 Hospital Association.

20 (ii) The Quality of Care Subcommittee shall review  
21 and recommend quality performance indicators for use, recommend baseline  
22 performance goals, recommend alignment of financial incentives to improve  
23 performance, and track improvements in delivery of care.

24  
25 *SECTION 2. Arkansas Code § 21-5-407 is amended to read as follows:*

26 *21-5-407. Definitions.*

27 *As used in this subchapter:*

28 (1) "Aggregate performance information" means reports or other  
29 means of communication about the measurement of accomplishment of executing  
30 certain tasks, achievement of certain results, or occurrence of certain  
31 events related to all patients or to a class or group of patients  
32 identifiable by certain criteria;

33 ~~(1)(2)~~ "Dependent" means any member of an employee's or  
34 retiree's family who meets the eligibility for coverage under the health  
35 benefit plans approved by the State and Public School Life and Health  
36 Insurance Board;

