

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 2634

5 By: Representative Stovall
6
7

For An Act To Be Entitled

9 AN ACT TO ESTABLISH THE ARKANSAS CITY, COUNTY,
10 AND SMALL EMPLOYER HEALTH INSURANCE PURCHASING
11 POOLS; AND FOR OTHER PURPOSES.
12

Subtitle

14 AN ACT TO EXPAND HEALTH INSURANCE
15 COVERAGE OPTIONS AND CONTAIN HEALTH CARE
16 COSTS.
17
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code Title 23, Chapter 86, is amended to add an
22 additional subchapter to read as follows:

23 23-86-601. Findings and purpose.

24 (a) The General Assembly finds that:

25 (1) Employers in Arkansas continue to report that options to
26 purchase affordable health insurance coverage for their employees continue to
27 decrease;

28 (2) Recently reported data demonstrates that the overall
29 percentage of uninsured Arkansans has increased during the previous five (5)
30 years; and

31 (3) Most Arkansans obtain health insurance coverage through
32 their employers, but small employers, county governments, and municipalities
33 have fewer cost effective purchase options for their employees.

34 (b) The purpose of this subchapter is to establish the Arkansas City,
35 County, and Business Health Insurance Purchasing Pools in order to provide
36 more cost effective health insurance coverage options to small employers,



1 county governments, and municipalities.

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3 23-86-602. Creation of pools.

4 There is established the Arkansas City, County, and Business Health
5 Insurance Purchasing Pools to assist municipalities, county governments, and
6 businesses in the state in the provision of health insurance coverage to
7 their employees.

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9 23-86-603. Authorization.

10 (a) The State and Public School Life and Health Insurance Board or any
11 health insurance carrier that is approved by the board to offer health
12 insurance coverage may offer a health benefit plan and rates as provided in
13 this subchapter.

14 (b) The board may:

15 (1) Establish new insurance purchasing pools for county
16 governments, municipalities, and small businesses;

17 (2) Require that contracts between the health benefit plan and
18 city, county, or employers remain in effect for a period beyond one (1) year;

19 (3) Require that carriers offer the health benefit plans issued
20 under this subchapter through one (1) of their existing networks of health
21 care providers;

22 (4) Establish underwriting restrictions to ensure financial
23 stability of the purchasing pools;

24 (5) Determine benefits to be covered under any city, county, or
25 small business purchasing pools;

26 (6) For purposes of creation of insurance pools and calculation
27 of risk, not combine enrollees from plans offered to small employers,
28 counties, or municipalities with existing risk pools of state employees or
29 public school employees;

30 (7) Determine whether the health benefit plans offered under
31 this section are fully insured by the carrier or self-insured by the plan;

32 (8) Set rates of employee health plan benefit uptake for
33 participating employers concordant with private marketplace practice; and

34 (9) Determine a fixed schedule of provider reimbursement rates
35 for its state and public school health plans.

36 (c) If the board determines a fixed schedule of provider reimbursement

1 rates for its state and public school health plans, then carriers offering
2 coverage to small employers, county governments, or municipalities under this
3 subchapter shall reimburse network health care providers at the same rates in
4 effect for the state and public school health plans.

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6 23-86-604. Employer contribution.

7 An employer choosing to participate in the plan shall pay at least
8 fifty percent (50%) of each employee's premium for the individual employee's
9 coverage.

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11 23-86-605. Rules and regulations.

12 The State and Public School Life and Health Insurance Board may adopt
13 any rules and regulations it deems necessary or desirable to implement this
14 subchapter.

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16 SECTION 2. Arkansas Code § 21-5-402(a)(1), concerning members of the
17 State and Public Life and Health Insurance Board, is amended to read as
18 follows:

19 (a)(1) There is created the State and Public School Life and Health
20 Insurance Board, composed of the following ~~twelve (12)~~ voting members:

- 21 (A) A state employee to be appointed by the Governor;
- 22 (B) A certified classroom teacher to be appointed by the
23 Governor;
- 24 (C) The Insurance Commissioner or his or her designee;
- 25 (D) The Director of the Department of Education or his or
26 her designee;
- 27 (E) The Director of the Department of Finance and
28 Administration or his or her designee;
- 29 (F) Two (2) members who are engaged in employee benefits
30 management or risk management in private industry to be appointed by the
31 Governor;
- 32 (G) One (1) additional member position which shall be
33 filled alternately by a retired teacher and by a retired state employee
34 appointed by the Governor. This position shall first be filled by a retired
35 teacher for a term of four (4) years, then by a retired state employee for a
36 term of four (4) years, and four-year terms thereafter shall be alternated

1 between a retired teacher and a retired state employee;

2 (H) One (1) public school administrator to be appointed by
3 the Governor;

4 (I) The Executive Director of the Arkansas State Board of
5 Pharmacy or his or her state employee pharmacist designee;

6 (J) The Director or Health Facility Services of the
7 Department of Health or his or her designee; ~~and~~

8 (K) One (1) member who is a licensed health care provider
9 appointed by the Governor;

10 (L) One (1) member of the health care policy community
11 appointed by the Speaker of the House of Representatives;

12 (M) One (1) representative of city government to be
13 appointed by the Governor upon initiation of a purchasing pool for a
14 municipality;

15 (N) One (1) representative of county government to be
16 appointed by the Governor upon initiation of a purchasing pool for a county;
17 and

18 (O) Two (2) representatives of small businesses to be
19 appointed by the Governor upon initiation of a purchasing pool for two (2) or
20 more small businesses.

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