

1 State of Arkansas
2 89th General Assembly
3 First Extraordinary Session, 2013
4

A Bill

Call Item 5

HOUSE BILL 1001

5 By: Representative Nickels
6

For An Act To Be Entitled

8 AN ACT TO ESTABLISH A UNIFIED HEALTH CARE BENEFIT
9 PROGRAM FOR ALL PUBLICLY FUNDED EMPLOYEES AND RETIRED
10 EMPLOYEES; AND FOR OTHER PURPOSES.
11

Subtitle

12 TO ESTABLISH A UNIFIED HEALTH CARE
13 BENEFIT PROGRAM FOR ALL PUBLICLY FUNDED
14 EMPLOYEES AND RETIRED EMPLOYEES.
15
16
17
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 SECTION 1. Arkansas Code § 21-5-401 is amended to read as follows:

22 21-5-401. Public Officer and Employee Life and Health Insurance
23 Program established – Legislative intent.

24 (a) The Public Officer and Employee Life and Health Insurance Program
25 is established to manage life and health insurance plan options for the
26 benefit of publicly funded employees and retirees.

27 (b) It is the purpose of this subchapter to:

28 (1) Create a single board to select health insurance and life
29 insurance plan coverages for ~~state and public school~~ publicly funded
30 employees and retirees;

31 (2) Develop self-funded health ~~programs~~ plan options to enhance
32 the ability to control premiums and utilize managed care capabilities if
33 feasible and in the best interest of plan members; and

34 (3) Enable a single board to:

35 (A) Set and manage policies for the ~~health insurance and~~
36 ~~life insurance programs of state and public school employees~~ program;



1 (B) Work in a concerted effort toward a common goal of
 2 parity between ~~public school and state~~ publicly funded employee and retiree
 3 insurance ~~programs~~ plan options;

4 (C) Improve the quality of health care services under the
 5 ~~programs~~ program;

6 (D) Increase participants' understanding of program
 7 features; and

8 (E) Slow the rate of growth in health care expenses under
 9 the ~~programs~~ program.

10
 11 SECTION 2. Arkansas Code § 21-5-403 is amended to read as follows:

12 21-5-403. Policy-making body only – Reports.

13 (a) The State and Public School Life and Health Insurance Board ~~shall~~
 14 ~~be~~ is a policy-making body only.

15 (b) The ~~executive director~~ Executive Director of the Employee Benefits
 16 Division of the Department of Finance and Administration shall report upon
 17 request to the House ~~Interim~~ Committee on Insurance and Commerce and the
 18 Senate ~~Interim~~ Committee on Insurance and Commerce regarding the ~~state and~~
 19 ~~public school employees and retirees insurance program~~ State and Public
 20 School Employee Life and Health Insurance Program.

21
 22 SECTION 3. Arkansas Code § 21-5-404(3), concerning the powers, duties,
 23 and functions of the State and Public School Life and Health Insurance Board,
 24 is amended to read as follows:

25 (3) To prepare a comprehensive analysis of the various health
 26 benefit plan options approved by the board to provide coverage to ~~state and~~
 27 ~~public school~~ publicly funded employees and retirees, including cost,
 28 quality, and access differentials among the various plans as well as any
 29 other comparisons of the plans;

30
 31 SECTION 4. Arkansas Code § 21-5-405(a), concerning the duties of the
 32 State and Public School Life and Health Insurance Board, is amended to read
 33 as follows:

34 (a)(1) The State and Public School Life and Health Insurance Board and
 35 the ~~executive director~~ Executive Director of the Employee Benefits Division
 36 of the Department of Finance and Administration shall take a risk management

1 approach in designing the ~~state and public school~~ publicly funded employees
2 and retirees benefit programs.

3 (2) The board shall ensure that the ~~state and public school~~
4 ~~employees~~ publicly funded employee and ~~retirees~~ retiree benefit programs are
5 maintained on an actuarially sound basis as determined by actuarial standards
6 established by the board.

7
8 SECTION 5. Arkansas Code § 21-5-405(b)(4), concerning the duties of
9 the State and Public School Life and Health Insurance Board, is amended to
10 read as follows:

11 (4)(A) Utilize the combined purchasing power of the ~~state~~
12 ~~employee and public school~~ employee, retiree, participating entity, and
13 participating institution personnel programs to foster competition among
14 vendors and providers for the programs.

15 (B) Any ~~state agency or school district~~ employee, retiree,
16 participating entity, and participating institution that accepts state funds
17 intended to partially defray the cost of health and life insurance for ~~the~~
18 ~~employees of the state and public schools~~ an employee, retiree, participating
19 entity, or participating institution shall:

20 (i) Use those funds only for the ~~state and public~~
21 ~~school employees~~ health benefit plans sponsored by the board; and

22 (ii) Agree to rules of participation as stated in
23 the policies adopted by the board and as defined in the regulations and
24 procedures issued by the Executive Director of the Employee Benefits Division
25 of the Department of Finance and Administration, including, ~~but not limited~~
26 ~~to,~~ without limitation timely eligibility reporting, prepayment of insurance
27 premiums, actuarial adjustment for new enrollees, and any other requirements
28 deemed necessary by the board;

29
30 SECTION 6. Arkansas Code § 21-5-406(e)(3)(A), concerning the
31 implementation of benefit programs, is amended to read as follows:

32 (3)(A) The executive director ~~shall have~~ has the authority to
33 supervise the implementation and day-to-day management of the health
34 insurance programs and other employee benefit programs, plans, and individual
35 and group policies made available to ~~state and public school~~ employees, if
36 applicable.

1
 2 SECTION 7. Arkansas Code § 21-5-406(e)(3)(E), concerning the exemption
 3 of the Arkansas State Police Employee Health Plan from mandatory
 4 participation, is repealed.

5 ~~(E) The Arkansas State Police Employee Health Plan shall~~
 6 ~~be exempt from any mandatory participation required by this section.~~

7
 8 SECTION 8. Arkansas Code § 21-5-407 is amended to read as follows:
 9 21-5-407. Definitions.

10 As used in this subchapter:

11 (1) "Aggregate performance information" means a report or other
 12 means of communication about the measurement of accomplishment of the
 13 execution of certain tasks, achievement of certain results, or occurrence of
 14 certain events related to all patients or to a class or group of patients
 15 identifiable by certain criteria;

16 (2)(A) "Alternate retirement plan retiree" means a retiree in an
 17 alternate retirement plan as defined in § 24-7-801 of a certain institution
 18 whose employer does not contribute to the State or Public School Health
 19 Insurance Plan during his or her active employment.

20 (B) Further, an "alternate retirement plan", for the
 21 purposes of this section, is a defined contribution plan allowed under the
 22 Internal Revenue Service regulations and allowed but not created by Arkansas
 23 state law;

24 (3) "Dependent" means any member of an employee's or retiree's
 25 family who meets the eligibility for coverage under the health benefit plans
 26 approved by the State and Public School Life and Health Insurance Board;

27 (4) "Dual eligibility" means simultaneous participation as an
 28 employee, dependent, or retiree in the multiple programs offered by the
 29 Employee Benefits Division of the Department of Finance and Administration;

30 (5) "Eligible inactive retiree" means a former member of the
 31 General Assembly or a state-elected constitutional officer who has served a
 32 sufficient number of years of credited service to be eligible for retirement
 33 benefits but who has not yet reached retirement age. Eligible inactive
 34 retirees who enroll in the plan must pay the entire premium cost as set by
 35 the board;

36 (6) "Employee" means ~~a state employee or a public school~~

1 ~~district employee;~~ an employee who is paid all or part of his or her salary
 2 by public funds, including without limitation an employee of:

3 (A) The State of Arkansas;

4 (B) A public school district;

5 (C) A county;

6 (D) A municipality;

7 (E) An incorporated or unincorporated town;

8 (F) A constitutional branch of government, office,
 9 officer, agency, department, commission, or institution;

10 (G) An institution of higher education; and

11 (H) An agency, instrumentality, board, commission, or
 12 political subdivision of:

13 (i) The State of Arkansas;

14 (ii) A public school district;

15 (iii) A county;

16 (iv) A municipality;

17 (v) An incorporated or unincorporated town;

18 (vi) A constitutional branch of government, office,
 19 officer, agency, department, commission, or institution; or

20 (vii) An institution of higher education;

21 (7) "Health insurance representative" means an individual
 22 appointed by a participating entity to act as an agent for the ~~Employee~~
 23 ~~Benefits Division~~ division;

24 (8) "Ineligible inactive retiree" means a terminated employee
 25 who has worked a sufficient number of years to be considered vested but who
 26 has not yet reached the age to qualify to receive a retirement benefit;

27 (9) "Internal Revenue Service" means the United States
 28 government agency responsible for tax collection and tax law enforcement;

29 (10) "Member" means any enrolled ~~state or public school~~
 30 employee, retiree, or covered dependent;

31 (11) "Participating entity" means an organization authorized to
 32 participate in a plan offered under this subchapter;

33 (12) "Participating institution" means any two-year, ~~or~~ four-
 34 year, or graduate college or university that is participating in a plan
 35 offered under this subchapter;

36 (13) "Prepayment" means collection of medical or life insurance

1 premiums or both medical and life insurance premiums from the employee and
 2 employer one (1) month in advance;

3 (14) “Publicly funded” means at least partially paid for by
 4 federal, state, county, municipal, or other funds received from any taxing
 5 unit or government entity;

6 ~~(14)~~(15) “Qualifying event” means a change in an employee’s
 7 personal life that may impact his or her eligibility or a dependent’s
 8 eligibility for benefits, as defined by Internal Revenue Service guidelines;

9 ~~(15)~~(16) “Quality-of-care information” means the contents of
 10 medical records, member claims, patient surveys, pharmacy data, lab data, and
 11 other records of or reports about systems, networks, hospitals, and clinical
 12 providers to be gathered for assessment of the quality and costs of health
 13 care provided by systems, networks, hospitals, and clinical providers;

14 ~~(16)~~(17) “Quality performance indicator” means a specific
 15 inquiry or standard that, when applied to quality-of-care information,
 16 reveals a quantifiable measure of success or failure in system, network,
 17 hospital, or clinical provider care;

18 ~~(17)~~(18) “Retiree” means a retired employee who is eligible
 19 ~~under the provisions of § 21-5-411 or any other publicly funded retirement~~
 20 system;

21 ~~(18)~~(19) “State” means the State of Arkansas; and

22 ~~(19)~~(20) “Vendor” means a corporation, partnership, or other
 23 organization:

24 (A) ~~A corporation, partnership, or other organization~~
 25 ~~licensed~~ Licensed to do business and in good standing with the State of
 26 Arkansas; and

27 (B) ~~A corporation, partnership, or other organization~~
 28 ~~licensed to do business and in good standing with the State of Arkansas that~~
 29 ~~is lawfully~~ Lawfully engaged in administering ~~employer-~~ employer-funded or
 30 employee-funded benefit plans for employer groups in consideration of an
 31 administration fee payable to the vendor.

32
 33 SECTION 9. Arkansas Code § 21-5-410 is amended to read as follows:

34 21-5-410. Employees – Eligibility.

35 (a) Eligible employees ~~shall~~ include:

36 (1) All actively employed, ~~eligible~~ employees ~~of participating~~

1 ~~agencies, boards, commissions, institutions, and constitutional offices whose~~
 2 ~~actual performance of duty requires one thousand (1,000) or more working~~
 3 ~~hours per year;~~

4 ~~(2) Members of the General Assembly;~~

5 ~~(3) Elected constitutional officers;~~

6 ~~(4) Appointed or elected board and commission members who are on~~
 7 ~~a full-time salaried basis; and~~

8 ~~(5)(A)(2)(A)~~ Those state contract employees hired by the
 9 Arkansas National Guard on a full-time basis in accordance with the
 10 provisions of 10 U.S.C. § 2304.

11 (B) Membership of the contract employees of the Arkansas
 12 National Guard is conditioned upon the United States ~~Government~~ Government's
 13 contributing the employer's share to the Employee Benefits Division of the
 14 Department of Finance and Administration.

15 (b) Membership of a state employee is conditioned upon the ~~employee~~
 16 employee's being in a budgeted state employee position or a position
 17 authorized by the General Assembly.

18 ~~(c) An employee is one whose actual performance of duty requires one~~
 19 ~~thousand (1,000) or more working hours per year.~~

20 ~~(d) If a participating institution discontinues its participation in~~
 21 ~~the group health and life insurance program instituted pursuant to the~~
 22 ~~provisions of this subchapter, then the institution may not re-participate in~~
 23 ~~the program for two (2) years after the institution's final date of~~
 24 ~~participation in the program unless the executive director of the Employee~~
 25 ~~Benefits Division of the Department of Finance and Administration gives his~~
 26 ~~or her consent to an earlier date.~~

27 ~~(e)(c)~~ Members are not allowed dual eligibility in either the state
 28 ~~insurance plan or the public school~~ an insurance plan offered under this
 29 subchapter.

30 ~~(f) The Arkansas State Police Employee Health Plan shall be exempt~~
 31 ~~from any mandatory participation required by this section.~~

32
 33 SECTION 10. Arkansas Code § 21-5-411 is amended to read as follows:

34 21-5-411. Eligibility of ~~certain~~ retired employees.

35 (a)(1) ~~State and public school employees shall be allowed to~~ A retiree
 36 may continue coverage and, if qualified, ~~to~~ participate in the ~~group health~~

1 ~~insurance program instituted pursuant to the provisions of this subchapter~~
 2 ~~and other laws enacted to implement the program who are:~~

3 ~~(A) Participating members of:~~

4 ~~(i) The Arkansas Public Employees' Retirement~~
 5 ~~System, including the members of the legislative division and the contract~~
 6 ~~personnel of the Arkansas National Guard;~~

7 ~~(ii) The Arkansas Teacher Retirement System;~~

8 ~~(iii) The Arkansas State Highway Employees'~~
 9 ~~Retirement System;~~

10 ~~(iv) The Arkansas Judicial Retirement System; or~~

11 ~~(v) An alternate retirement plan of a qualifying~~
 12 ~~institution under § 24-7-801; and~~

13 ~~(B) Retired State and Public School Employee Life and~~
 14 ~~Health Insurance Program if the retiree is retired and drawing benefits under~~
 15 ~~the systems a publicly funded retirement system.~~

16 (2)(A)(i) If members of these retirement systems receive
 17 retirement benefits, thereby becoming active retirees, the active retirees
 18 shall elect to enroll in the health benefit program sponsored by the State
 19 and Public School Life and Health Insurance Board.

20 (ii) The election to enroll in the retiree insurance
 21 program shall be made within thirty-one (31) days of the member's becoming an
 22 active retiree and shall be made in writing to the Employee Benefits Division
 23 of the Department of Finance and Administration on forms required by the
 24 ~~Employee Benefits Division~~ division.

25 (B)(i) To be eligible to continue coverage or to qualify
 26 for coverage after electing to decline participation, the member must have
 27 been eligible for coverage on the last day of the member's employment.

28 (ii) If a retiree declines coverage at the time of
 29 retirement due to other health insurance coverage that is not an accident
 30 only, specific disease, or other limited benefit policy, the retiree may make
 31 a one-time election to return to the retiree insurance program with proof of
 32 continued insurance coverage if the retiree experiences a qualifying event or
 33 at the time of open enrollment.

34 (iii) The board may allocate available subsidies to
 35 cover the retirees making an election.

36 (C)(i) Except as provided in subdivision (a)(2)(C)(ii) of

1 this section, an active retiree's failure to make an election during the
 2 thirty-one-day election period or an active retiree's election to decline
 3 participation in the health program is final.

4 (ii) If an active retiree declining coverage
 5 specifies in writing and provides a letter of creditable employer group
 6 coverage to show that the reason for the declination is because the active
 7 retiree has coverage through another employer group health plan and the
 8 active retiree's coverage is subsequently terminated because of a loss of
 9 eligibility, as defined by Internal Revenue Service regulations, and provides
 10 information from the former insurance company of the loss of eligibility,
 11 then the active retiree and any dependents shall qualify for coverage in the
 12 health benefit program under this subsection upon payment of the appropriate
 13 premium as established by the board, provided the active retiree applies for
 14 coverage within thirty (30) days of the loss of eligibility. Loss of coverage
 15 is defined by Internal Revenue Service and Health Insurance Portability and
 16 Accountability Act ~~(HIPPA)~~ guidelines for special enrollment periods.

17 (3)(A) Notwithstanding any other provision to the contrary in
 18 this section, an employee with ten (10) or more years of creditable service
 19 under the terms of a retirement plan ~~listed in this section~~ shall qualify for
 20 continuation of health insurance coverage offered by the board if that
 21 employee is separated from employment because of the expiration of a fixed
 22 period of employment.

23 (B)(i) An employee qualifying for continuation of coverage
 24 under this subsection shall be considered an "inactive retiree" and shall
 25 have thirty-one (31) days from the effective date of termination to elect to
 26 continue health insurance coverage under this section by notifying the
 27 ~~Employee Benefits Division~~ division.

28 (ii) The election shall be made in writing on forms
 29 required by the ~~Employee Benefits Division~~ division.

30 (C)(i) Except as provided in subdivision (a)(3)(C)(ii) of
 31 this section, an inactive retiree's failure to make an election during the
 32 thirty-one-day election period or an inactive retiree's election to decline
 33 participation in the health program is final.

34 (ii) If an inactive retiree as ~~defined~~ described in
 35 ~~§ 21-5-407~~ subdivision (a)(3)(B) of this section declining coverage specifies
 36 in writing that the reason for the declination is because the inactive

1 retiree has coverage through another group health plan and the inactive
 2 retiree's coverage is subsequently terminated because of a loss of
 3 eligibility, then the inactive retiree and any dependents shall qualify for
 4 coverage in a board-sponsored health benefit program upon payment of the
 5 appropriate premium as established by the board, provided the inactive
 6 retiree applies for coverage within thirty-one (31) days of the loss of
 7 eligibility.

8 (D) An eligible inactive retiree shall be reclassified as
 9 an "active retiree" upon electing to receive a retirement benefit by a
 10 retirement system listed within this section and shall be charged the premium
 11 rate appropriate for his or her rating category as an active retiree.

12 (4)(A) As used in this subsection, "loss of eligibility" means a
 13 loss of coverage as a result of a legal separation, divorce, death of the
 14 insured, termination of employment, or a reduction in the number of hours of
 15 employment.

16 (B) "Loss of eligibility" ~~shall~~ does not include a loss of
 17 coverage from a failure to pay premiums on a timely basis, voluntary
 18 termination of coverage, or a termination of coverage for cause, such as
 19 making a fraudulent claim.

20 (b)(1) Persons who draw retirement benefits under ~~the Arkansas Public~~
 21 ~~Employees' Retirement System, the Arkansas Teacher Retirement System, or the~~
 22 ~~Arkansas State Highway Employees' Retirement System, a publicly funded~~
 23 retirement system and retired contract employees of the Arkansas National
 24 Guard who wish to participate in the group insurance program provided for in
 25 this subchapter shall pay the retiree amount of the premium or the cost of
 26 the policy issued to the retired participant.

27 (2)(A) The retiree portion of the premium or cost shall be
 28 deducted from:

29 (i) The retirement benefit check of the retired
 30 participant; or

31 (ii) A bank account of the retired participant to be
 32 paid by a monthly bank draft on the date designated by the ~~Employee Benefits~~
 33 ~~Division~~ division.

34 (B) If the retirement benefit is to be withheld from a
 35 retirement benefit check and the retirement benefit check is not large enough
 36 for the premium deduction, the premium shall be paid by monthly bank draft on

1 a designated date prescribed by the ~~Employee Benefits Division~~ division.

2 (c) Members of the Arkansas Public Employees' Retirement System and
3 the Arkansas State Highway Employees' Retirement System who retire before
4 January 2, 1988, under ~~the provisions of~~ the Incentives for Early Retirement
5 Act, §§ 24-4-732, 24-5-122, and 24-6-102, shall not have to pay the full
6 amount of the premium and shall pay a portion of the cost of the policy as
7 set forth by the Incentives for Early Retirement Act, §§ 24-4-732, 24-5-122,
8 and 24-6-102.

9 (d) Any future change in coverage other than cancellation shall be
10 extended only to newly acquired dependents, except that if an active or
11 inactive retiree declined dependent coverage at the time of election to be an
12 active or inactive retiree and specified in writing that the reason for the
13 declination was that the dependent had other coverage, and if subsequently
14 the dependent involuntarily loses such coverage, except for fraud or
15 voluntary cessation of premium payment while the active or inactive retiree
16 is covered by the plan, then the dependent may be added within thirty-one
17 (31) days of the involuntary termination to the active or inactive retiree's
18 health insurance coverage for payment of the appropriate premium as
19 established by the board.

20 (e) If a retiree dies and has covered dependents at the time of death,
21 the dependents have the right to continue coverage under the plan. Dependent
22 children may be covered until marriage or until the maximum age limit for a
23 dependent child has been reached. A surviving spouse may continue coverage
24 under the plan. If a surviving spouse or dependent declines coverage or
25 cancels existing coverage, then the surviving spouse or dependent has no
26 further privileges under the plan.

27
28 SECTION 11. Arkansas Code § 21-5-414 is amended to read as follows:

29 21-5-414. State contributions generally – Partial state contribution
30 of employees' premiums.

31 (a) The Department of Finance and Administration shall seek the advice
32 of the Legislative Council and the House Committee on Insurance and Commerce
33 and the Senate Committee on Insurance and Commerce before additional
34 contributions ~~can~~ may be made.

35 (b)(1) The State of Arkansas, on behalf of ~~agencies~~ an employee, a
36 retiree, a participating entity, or a participating institution participating

1 in the ~~plans adopted by the state~~ a plan adopted under this subchapter, ~~is~~
 2 ~~authorized to~~ may make a monthly contribution equal to the number of budgeted
 3 ~~state~~ employee positions multiplied by the monthly contribution authorized by
 4 the Chief Fiscal Officer of the State, not to exceed four hundred twenty-five
 5 dollars (\$425) monthly for each ~~state~~ employee budgeted position into a fund
 6 designated for ~~state~~ employee health benefits, to partially defray the cost
 7 of life and health insurance for employees ~~of the state~~ participating in the
 8 plan sponsored by the State and Public School Life and Health Insurance
 9 Board.

10 (2) The department may make a monthly contribution to partially
 11 defray the cost of health insurance for ~~state employee~~ retirees, utilizing
 12 funds made available for that purpose, not to exceed the amount authorized by
 13 the Chief Fiscal Officer of the State.

14
 15 SECTION 12. Arkansas Code § 21-5-415 is amended to read as follows:

16 21-5-415. Nonpayment of premiums and failure to file reports ~~by agency~~
 17 ~~or school district~~.

18 (a)(1) If any ~~participating agency or school district~~ employee,
 19 retiree, participating entity, or participating institution does not remit
 20 insurance premiums and required monthly reports to the Employee Benefits
 21 Division of the Department of Finance and Administration by the last calendar
 22 day of each billing month, the division shall impose a penalty of two dollars
 23 (\$2.00) per insured member or one hundred dollars (\$100), whichever is
 24 greater.

25 (2) Penalties will be assessed and invoiced based on the actual
 26 number of members included on the monthly billing report that is past due.
 27 Invoices will be processed at the beginning of the month following the
 28 infraction.

29 (3) Penalties ~~shall be~~ are payable to the ~~Employee Benefits~~
 30 ~~Division~~ division and ~~must~~ shall be received by the division no later than
 31 the last calendar day of the month following invoicing.

32 (4) If payment is not received by the division by the due date,
 33 the following collection methods may be used:

34 (A)(i) The Chief Fiscal Officer of the State may cause the
 35 amount sought to be transferred to the division from:

36 (a) Funds the ~~agency or school district~~

1 employee, retiree, participating entity, or participating institution has on
2 deposit with the Treasurer of State; or

3 (b) Any funds the ~~agency or school district~~
4 employee, retiree, participating entity, or participating institution is due
5 from the state.

6 (ii) If a transfer must be made, a transfer penalty
7 of twenty dollars (\$20.00) per transfer shall be assessed each ~~agency or~~
8 ~~school district~~ employee, retiree, participating entity, or participating
9 institution fund and included in the transfer;

10 (B) The ~~agency director or school district superintendent~~
11 employee, retiree, head of the participating entity, or head of the
12 participating institution may be required to appear before the State and
13 Public School Life and Health Insurance Board to report the reasons for
14 nonpayment or incorrect reporting; and

15 (C) The Chief Fiscal Officer of the State may use his or
16 her powers ~~outlined in~~ under § 19-4-301 et seq. to aid in collection.

17 (5) Nonpayment of premiums ~~could~~ may also result in a lapse of
18 health and life insurance coverage for ~~employees of the school district,~~
19 ~~agency, or the agency assuming responsibility for paying health and life~~
20 ~~claims for its employees~~ an employee or retiree.

21 (b)(1) If any ~~participating agency or school district~~ employee,
22 retiree, participating entity, or participating institution fails to follow
23 established policy and procedures set by the executive director, including,
24 but not limited to, notifying the division of an insured's leave without pay,
25 family medical leave, or military leave status or if any participating ~~agency~~
26 ~~or school district~~ employee, retiree, participating entity, or participating
27 institution provides incorrect benefit information or processes unauthorized
28 benefit changes, including system entries that result in unreimbursed
29 expenses to the State Employees Benefits Trust Fund or Public School
30 Employees Insurance Trust Fund, the division ~~shall have the right to~~ may:

31 (A) Require the ~~agency~~ employee, retiree, participating
32 entity, or participating institution to pay the total amount of the insured's
33 premium; and

34 (B) Impose a penalty of fifty dollars (\$50.00) per
35 insured.

36 (2) Penalties ~~will~~ shall be assessed and invoiced based on the

1 actual number of violations. Invoices ~~will~~ shall be processed at the
2 beginning of the month following discovery of the infraction.

3 (3) Penalties ~~shall be~~ are payable to the Employee Benefits
4 Division and ~~must~~ shall be received by the last calendar day of the month
5 following invoicing.

6 (4) The Chief Fiscal Officer of the State may cause the amount
7 sought to be transferred from:

8 (A) Funds the ~~agency or school district~~ employee, retiree,
9 participating entity, or participating institution has on deposit with the
10 Treasurer of State; or

11 (B) Any funds the ~~agency or school district~~ employee,
12 retiree, participating entity, or participating institution is due from the
13 state.

14 (5) If a transfer is made, a transfer penalty of twenty dollars
15 (\$20.00) per transfer shall be assessed each ~~agency or school district~~
16 employee, retiree, participating entity, or participating institution fund
17 and included in the transfer.

18 (c) The division may correct any error regarding an insured's benefits
19 according to existing documentation without authorization or prior
20 notification to the ~~agency or school district~~ employee, retiree,
21 participating entity, or participating institution.

22
23 SECTION 13. Arkansas Code § 21-5-417 is amended to read as follows:

24 21-5-417. State contribution for employee receiving workers'
25 compensation.

26 Notwithstanding any other provisions of the law, a ~~state agency~~
27 participating entity or participating institution shall remit the employer's
28 contribution to the Employee Benefits Division of the Department of Finance
29 and Administration for ~~state~~ employees when the employee is in a leave-
30 without-pay status because of a work-related injury and is receiving benefits
31 from workers' compensation.

32
33 SECTION 14. Arkansas Code Title 21, chapter 5, subchapter 4 is amended
34 to add an additional section to read as follows:

35 21-5-418. Unified health care program.

36 (a) The State and Public School Life and Health Insurance Board shall

1 establish and the Employee Benefits Division of the Department of Finance and
2 Administration shall administer an expanded health care program under this
3 subchapter to make benefits available to all eligible publicly funded
4 employees and retirees.

5 (b) If an entity or institution has an employee or retiree that is
6 eligible for benefits under this subchapter, the entity or institution shall
7 offer health insurance benefits to its employees and retirees exclusively
8 under this subchapter.

9
10 SECTION 15. EFFECTIVE DATE. This act is effective on and after July
11 1, 2015.