

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

*As Engrossed: H3/9/21*

# A Bill

HOUSE BILL 1337

5 By: Representatives Lundstrum, Bentley, Brooks, Bryant, Christiansen, Cloud, C. Cooper, Furman,  
6 Hollowell, M. McElroy, Pilkington, Rye, Tollett  
7 By: Senators Rapert, Irvin  
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## For An Act To Be Entitled

10 AN ACT TO AMEND THE LAW CONCERNING THE STATE AND  
11 PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; TO  
12 ENSURE A SUSTAINABLE SYSTEM OF HEALTH BENEFITS FOR  
13 STATE EMPLOYEES AND PUBLIC SCHOOL EMPLOYEES; TO  
14 CLARIFY THE DUTIES AND RESPONSIBILITIES OF THE STATE  
15 AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE BOARD; TO  
16 INCREASE REPRESENTATION OF MEMBERS OF THE STATE AND  
17 PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM ON  
18 THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE  
19 BOARD; TO INCREASE OVERSIGHT OF THE STATE AND PUBLIC  
20 SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; TO INCREASE  
21 THE STATE CONTRIBUTION TO THE STATE AND PUBLIC SCHOOL  
22 LIFE AND HEALTH INSURANCE PROGRAM; TO DECLARE AN  
23 EMERGENCY; AND FOR OTHER PURPOSES.  
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## Subtitle

26 TO AMEND THE LAW CONCERNING THE STATE AND  
27 PUBLIC SCHOOL LIFE AND HEALTH INSURANCE  
28 PROGRAM; TO ENSURE A SUSTAINABLE SYSTEM  
29 OF HEALTH BENEFITS FOR STATE EMPLOYEES  
30 AND PUBLIC SCHOOL EMPLOYEES; AND TO  
31 DECLARE AN EMERGENCY.  
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35 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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1 SECTION 1. Arkansas Code § 21-5-402(a)(1), concerning the membership  
2 of the State and Public School Life and Health Insurance Board, is amended to  
3 read as follows:

4 (a)(1) The State and Public School Life and Health Insurance Board is  
5 created, composed of the following ~~fifteen (15)~~ seventeen (17) voting  
6 members:

7 (A) A Two (2) state ~~employee~~ employees who ~~is~~ are eligible  
8 to participate in the State and Public School Life and Health Insurance  
9 Program, appointed by the Governor;

10 (B) Two (2) public school employees, at least one (1) of  
11 whom is employed by a rural school district, appointed by the Governor;

12 (C) The Insurance Commissioner or his or her designee;

13 (D) The Commissioner of Elementary and Secondary Education  
14 or his or her designee;

15 (E) The Secretary of the Department of Transformation and  
16 Shared Services or his or her designee;

17 (F) Three (3) members who are engaged in employee benefits  
18 management or risk management, at least one (1) of whom is a licensed  
19 healthcare provider, appointed by the Governor;

20 (G) Two (2) members, ~~one (1) of whom is a retired public~~  
21 ~~school employee and one (1) of whom is a~~ who are retired state ~~employee~~  
22 employees, appointed by the Governor;

23 (H) One (1) retired public school employee, appointed by  
24 the Governor;

25 (I) Two (2) members, at least one (1) of whom is a current  
26 public school employee who is employed by a school district as an  
27 administrator and one (1) of whom may be a current or retired public school  
28 employee who was employed by a school district as an administrator, appointed  
29 by the Governor;

30 ~~(I)~~ (J) The Director of the Arkansas State Board of  
31 Pharmacy or his or her state employee pharmacist designee;

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

34 (K) One (1) member who is a member of the Arkansas  
35 Medical, Dental, and Pharmaceutical Association, Inc. appointed by the  
36 Governor.

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SECTION 2. Arkansas Code § 21-5-403(b), concerning reporting by the Director of the Employee Benefits Division, is amended to read as follows:

(b) The Director of the Employee Benefits Division and the board shall report ~~upon request~~ quarterly to the House Committee on Insurance and Commerce and the Senate Committee on Insurance and Commerce regarding the State and Public School Life and Health Insurance Program.

SECTION 3. Arkansas Code § 21-5-404(1), concerning powers, functions, and duties of the State and Public School Life and Health Insurance Board, is amended to add an additional subdivision to read as follows:

(D) Beginning in the 2022 plan year, any new or significantly modified cost-containment measures, premium increases greater than five percent (5%) over the previous plan year, proposals to limit or eliminate plan benefits or eligibility, or other significant changes to the plan design under the program shall be presented to the House Committee on Insurance and Commerce and the Senate Committee on Insurance and Commerce in a public meeting for review and approval before final adoption of the changes to the plan;

SECTION 4. Arkansas Code § 21-5-404(12)(A)(i), concerning the membership of the Benefits Subcommittee of the State and Public School Life and Health Insurance Board, is amended to add an additional subdivision to read as follows:

(e) Two (2) retired state employees.

SECTION 5. Arkansas Code § 21-5-404(12)(B)(i)(d)(1), concerning the membership of the Drug Utilization and Evaluation Subcommittee of the State and Public School Life and Health Insurance Board, is amended to read as follows:

(d)(1) One (1) state employee, one (1) retired state employee, and two (2) public school employees, appointed by the board.

SECTION 6. Arkansas Code § 21-5-414(b), concerning state contributions to the State and Public School Life and Health Insurance Program and partial state contribution of employee premiums, is amended to read as follows:

1 (b) Participating entities shall make a monthly contribution equal to  
2 the number of budgeted state employee positions multiplied by the monthly  
3 contribution authorized by the Chief Fiscal Officer of the State, not to  
4 exceed ~~four hundred fifty dollars (\$450)~~ five hundred dollars (\$500) monthly  
5 for each state employee budgeted position into a fund designated for state  
6 employee health benefits to partially defray the cost of life and health  
7 benefits for state employees and retirees participating in the program.

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9 SECTION 7. EMERGENCY CLAUSE. It is found and determined by the  
10 General Assembly of the State of Arkansas that the State and Public School  
11 Life and Health Insurance Board requires an expansion of representation of  
12 members of the State and Public School Life and Health Insurance Program, and  
13 the State and Public School Life and Health Insurance Program requires  
14 additional oversight to ensure affordable health insurance options are  
15 available to state and public school employees; that an urgent need exists to  
16 expand representation on the State and Public School Life and Health  
17 Insurance Board and start implementing the necessary oversight of the State  
18 and Public School Life and Health Insurance Program to avoid increased and  
19 unnecessary costs; and that this act is immediately necessary to improve the  
20 financial stability and viability of the State and Public School Life and  
21 Health Insurance Program through increased oversight and membership  
22 representation on the State and Public School Life and Health Insurance  
23 Board. Therefore, an emergency is declared to exist, and this act being  
24 immediately necessary for the preservation of the public peace, health, and  
25 safety shall become effective on:

26 (1) The date of its approval by the Governor;

27 (2) If the bill is neither approved nor vetoed by the Governor,  
28 the expiration of the period of time during which the Governor may veto the  
29 bill; or

30 (3) If the bill is vetoed by the Governor and the veto is  
31 overridden, the date the last house overrides the veto.

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33 /s/Lundstrum  
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