

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

# A Bill

HOUSE BILL 1733

5 By: Representatives Penzo, Dotson  
6

## For An Act To Be Entitled

8 AN ACT TO PROVIDE ASSISTANCE TO STATE EMPLOYEES AND  
9 PUBLIC SCHOOL EMPLOYEES WHO PARTICIPATE IN A HIGH-  
10 DEDUCTIBLE HEALTH PLAN THROUGH A HEALTH SAVINGS  
11 ACCOUNT; AND FOR OTHER PURPOSES.  
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## Subtitle

14 TO PROVIDE ASSISTANCE TO STATE EMPLOYEES  
15 AND PUBLIC SCHOOL EMPLOYEES WHO  
16 PARTICIPATE IN A HIGH-DEDUCTIBLE HEALTH  
17 PLAN THROUGH A HEALTH SAVINGS ACCOUNT.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 SECTION 1. Arkansas Code § 21-5-418 is amended to read as follows:  
24 21-5-418. Health savings account.

25 (a) A health savings account shall be a component of a qualifying  
26 high-deductible consumer-driven health insurance plan option adopted by the  
27 State and Public School Life and Health Insurance Board.

28 (b) A school district and the state may make an employer contribution  
29 into a participating public school employee's or state employee's health  
30 savings account up to the maximum amount allowed by the Internal Revenue  
31 Service.

32 (c) A school district shall ensure that any vendor the school district  
33 contracts with to provide health savings account management for the school  
34 district provides annual education to the school district's public school  
35 employees concerning the:

36 (1) Advantages and disadvantages of a qualifying high-deductible



1 consumer-driven health plan option; and

2 (2) Effective strategies for using a health savings account.

3 (d) On or before January 1, 2022, the board shall:

4 (1)(A) Submit designs for a qualifying high-deductible consumer-  
5 driven health insurance plan to the Secretary of the Department of  
6 Transformation and Shared Services for review.

7 (B) The report on designs described in subdivision  
8 (d)(1)(A) of this section may include multiple options for final  
9 implementation, which may, in turn, include various levels of state  
10 participation or types of benefit designs.

11 (C) The designs shall include:

12 (i) Benefit designs, including deductible amounts,  
13 for qualifying high-deductible consumer-driven health insurance plans;

14 (ii) Premium amounts for qualifying high-deductible  
15 consumer-driven health insurance plans;

16 (iii) State employee and public school employee and  
17 employer contribution strategies for qualifying high-deductible consumer-  
18 driven health insurance plan premiums;

19 (iv) State employee and public school employee and  
20 employer contribution strategies and reimbursement schedules for the health  
21 savings account deposits;

22 (v) A determination of whether or not a state  
23 employee or public school employee has the ability to make pretax  
24 contributions through a salary deferral arrangement for a health savings  
25 account;

26 (vi) Options for custodial arrangements for the  
27 health savings accounts;

28 (vii) Investment options for health savings account  
29 holders;

30 (viii) An assessment of administrative and claim  
31 costs;

32 (ix) Statements of the actuarial assumptions,  
33 including demographic, participation, and utilization assumptions; and

34 (x) An analysis of the impact on existing health  
35 plans that are offered by the State and Public School Life and Health  
36 Insurance Program for offering the option of health savings accounts paired

1 with qualifying high-deductible consumer-driven health insurance plans  
2 adopted by the board.

3 (D) Designs shall be based on the creation of coverage  
4 options so that the average per-person employer cost of qualifying high-  
5 deductible consumer-driven health insurance plans, including the  
6 contributions for the health savings accounts, does not exceed the average  
7 per-person employer cost of other plans offered under the program for the  
8 same fiscal year;

9 (2) Formulate a plan:

10 (A) To pay, by the beginning of plan year 2023, at least  
11 fifty-five percent (55%) of the deductible for a health savings account  
12 maintained for a qualifying high-deductible consumer-driven health insurance  
13 plan by a state employee and a public school employee; and

14 (B) For how a state employee or public school employee  
15 shall reimburse the board throughout the remainder of the plan year;

16 (3) Offer to all state employees and public school employees  
17 training regarding all health plans offered to state employees or public  
18 school employees under the program; and

19 (4) Prepare online training as an option for the training  
20 required by subdivision (d)(3) of this section.

21 (e) On or before March 1, 2022, the board shall adopt a plan design  
22 for the health savings accounts paired with qualifying high-deductible  
23 consumer-driven health insurance plans offered through the program after  
24 discussion with the interested stakeholders.

25 (f)(1) An employer participating in a health benefit plan offered by  
26 the program shall require each state employee or public school employee to  
27 complete training on the health plan options available through the program.

28 (2) The training required under subdivision (f)(1) of this  
29 section:

30 (A) May be completed online; and

31 (B) Shall be completed:

32 (i) Before the end of the open enrollment period for  
33 plan year 2023 for current state employees and current public school  
34 employees; or

35 (ii) For a state employee or public school employee  
36 hired on or after January 1, 2023, before the state employee's or public

1 school employee's selection of a plan in the program.

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