

State of Arkansas

93rd General Assembly

Fiscal Session, 2022

A Bill

HOUSE BILL 1098

By: Representatives Dotson, Shepherd, Wardlaw, Beaty Jr., Beck, M. Berry, S. Berry, Bragg, Brown, C. Cooper, Crawford, Dalby, M. Davis, Ennett, Eubanks, K. Ferguson, C. Fite, D. Garner, Godfrey, Hawks, M. Hodges, Hollowell, Hudson, Jett, Love, Maddox, McCullough, S. Meeks, Nicks, Perry, Scott, S. Smith, Speaks, Vaught, Warren, D. Whitaker, Wing, Wooten

By: Senators Rice, Hickey, Irvin, Beckham, L. Chesterfield, J. Dismang, Elliott, J. English, Flippo, Gilmore, Hill, K. Ingram, B. Johnson, G. Leding, B. Sample, D. Sullivan

For An Act To Be Entitled

AN ACT TO REQUIRE A FISCAL IMPACT STATEMENT FOR ANY
PROPOSED LEGISLATION IMPOSING A NEW OR INCREASED COST
OBLIGATION FOR HEALTH BENEFIT PLANS, INCLUDING
PHARMACY BENEFITS, ON AN ENTITY OF THE STATE; TO
DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO REQUIRE A FISCAL IMPACT STATEMENT FOR
ANY PROPOSED LEGISLATION IMPOSING A NEW
OR INCREASED COST OBLIGATION FOR HEALTH
BENEFIT PLANS, INCLUDING PHARMACY
BENEFITS, ON AN ENTITY OF THE STATE; AND
TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code Title 10, Chapter 2, Subchapter 1, is amended
to add an additional section to read as follows:

10-2-133. Increased cost obligations for health benefit plans – Fiscal
impact statement required – Definitions.

(a) As used in this section:

(1) "Entity of the state" means any agency, board, bureau,



commission, committee, council, department, division, institution of higher education, office, public school, quasi-public organization, or other political subdivision of the state;

(2) "Fiscal impact statement" means a realistic written statement of the purpose of a proposed law and the estimated financial cost to an entity of the state of implementing or complying with the proposed law; and

(3) "Health benefit plan" means a policy, contract, certificate, or agreement offered or issued by an entity to provide, deliver, arrange for, pay for, or reimburse any of the costs of healthcare services, including pharmacy benefits, to an entity of the state.

(b)(1) A bill filed in the House of Representatives or the Senate that will impose a new or increased cost obligation for health benefit plans, including pharmacy benefits, on an entity of the state shall:

(A) Have a fiscal impact statement attached to the bill prepared and filed with the chair of the committee to which the bill is referred; and

(B) Not be taken up by the committee to which the bill is referred until a fiscal impact statement is provided to the chair of the committee.

(2) The services of actuaries may be obtained in evaluating the respective bills and preparing the fiscal impact statement.

(c)(1)(A) If a House bill or Senate bill is called up for final passage in the House of Representatives or the Senate and a fiscal impact statement has not been provided by the author of the bill or by the committee to which the bill was referred, a member of the House of Representatives or the Senate may object to the bill's being called up for final passage until a fiscal impact statement is prepared and made available on the desk of each member of the House of Representatives or the Senate at least one (1) day before the bill's being called up for final passage.

(B) An affirmative vote of two-thirds (2/3) of a quorum present and voting shall override the objection.

(2) If an objection is made without override, the presiding officer of the House of Representatives or the Senate shall cause the bill to be referred to an actuary for the preparation of a fiscal impact statement, which shall be filed with the presiding officer not later than five (5) days

1 from the date of the request.

2 (d) A fiscal impact statement required by this section shall be
3 developed by an actuary within the guidelines adopted by the House Committee
4 on Insurance and Commerce and the Senate Committee on Insurance and Commerce,
5 as applicable.

6
7 SECTION 2. Arkansas Code Title 21, Chapter 5, Subchapter 4, is amended
8 to add an additional section to read as follows:

9 21-5-419. Introduction of bills affecting State and Public School Life
10 and Health Insurance Program – Definitions.

11 (a) As used in this section:

12 (1) "Entity of the state" means any agency, board, bureau,
13 commission, committee, council, department, division, institution of higher
14 education, office, public school, quasi-public organization, or other
15 political subdivision of the state; and

16 (2) "Health benefit plan" means a policy, contract, certificate,
17 or agreement offered or issued by an entity to provide, deliver, arrange for,
18 pay for, or reimburse any of the costs of healthcare services, including
19 pharmacy benefits, to an entity of the state.

20 (b) A bill affecting the State and Public School Life and Health
21 Insurance Program or that imposes a new or increased cost obligation for
22 health benefit plans, including pharmacy benefits, on an entity of the state
23 to be considered by the General Assembly at a regular session shall be
24 introduced in the General Assembly during the first fifteen (15) calendar
25 days of a regular session.

26 (c)(1) A bill as described in subsection (b) of this section shall not
27 be introduced after the fifteenth day of a regular session unless the
28 introduction of the bill is first approved by a three-fourths (3/4) vote of
29 the full membership of each house of the General Assembly.

30 (2) If the General Assembly recesses for longer than three (3)
31 consecutive days during the first fifteen (15) days of a regular session, the
32 fifteen-day introduction deadline shall be extended for a time period equal
33 to the recess.

34 (d) A bill affecting the State and Public School Life and Health
35 Insurance Program or that imposes a new or increased cost obligation for
36 health benefit plans, including pharmacy benefits, on an entity of the state

1 shall not be introduced or considered at a fiscal session or an extraordinary
2 session of the General Assembly unless the introduction and consideration of
3 the bill is first approved by a two-thirds (2/3) vote of the full membership
4 of each house of the General Assembly.

5
6 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
7 General Assembly of the State of Arkansas that the State and Public School
8 Life and Health Insurance Program is inadequate to provide sustainable
9 affordable health benefits for public school employees and state employees;
10 that an urgent need exists to address the state's funding and administration
11 of benefits for public school employees and state employees in order for the
12 program to remain viable and to avoid severe financial hardship to plan
13 participants; and that this act is immediately necessary to provide
14 affordable health benefit options in a timely manner to the state's public
15 school employees participating in the program and state employees
16 participating in the program. Therefore, an emergency is declared to exist,
17 and this act being immediately necessary for the preservation of the public
18 peace, health, and safety shall become effective on:

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

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

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