

1 State of Arkansas
2 93rd General Assembly
3 Fiscal Session, 2022

SR 4

4
5 By: Senators Rice, Hickey, Irvin, Beckham, L. Chesterfield, J. Dismang, Elliott, J. English, Flippo,
6 Gilmore, Hill, K. Ingram, G. Leding, B. Sample

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8 **SENATE RESOLUTION**

9 TO AUTHORIZE THE INTRODUCTION OF A NONAPPROPRIATION
10 BILL TO REGULATE THE STATE AND PUBLIC SCHOOL LIFE AND
11 HEALTH INSURANCE PROGRAM, REQUIRE THE LEGISLATIVE
12 COUNCIL TO ESTABLISH THE EMPLOYEE BENEFITS DIVISION
13 OVERSIGHT SUBCOMMITTEE TO PERFORM OVERSIGHT FUNCTIONS
14 RELATED TO THE STATE AND PUBLIC SCHOOL LIFE AND
15 HEALTH INSURANCE PROGRAM, AND PROVIDE FOR LEGISLATIVE
16 OVERSIGHT OF THE STATE AND PUBLIC SCHOOL LIFE AND
17 HEALTH INSURANCE PROGRAM.

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20 **Subtitle**

21 TO AUTHORIZE A NONAPPROPRIATION BILL TO
22 PROVIDE FOR LEGISLATIVE OVERSIGHT OF THE
23 STATE AND PUBLIC SCHOOL LIFE AND HEALTH
24 INSURANCE PROGRAM AND ESTABLISH THE
25 EMPLOYEE BENEFITS DIVISION OVERSIGHT
26 SUBCOMMITTEE.

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29 BE IT RESOLVED BY THE SENATE OF THE NINETY-THIRD GENERAL ASSEMBLY OF THE
30 STATE OF ARKANSAS:

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32 THAT Representative Wardlaw or Representative Eubanks is authorized to
33 introduce a bill which as introduced will read substantially as follows:

34
35 "Title
36 AN ACT TO REGULATE THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE



1 PROGRAM; REQUIRING THE LEGISLATIVE COUNCIL TO ESTABLISH THE EMPLOYEE BENEFITS
2 DIVISION OVERSIGHT SUBCOMMITTEE TO PERFORM OVERSIGHT FUNCTIONS RELATED TO THE
3 STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; TO PROVIDE FOR
4 LEGISLATIVE OVERSIGHT OF THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH
5 INSURANCE PROGRAM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

6
7 Subtitle

8 TO PROVIDE FOR LEGISLATIVE OVERSIGHT OF THE STATE AND PUBLIC SCHOOL LIFE AND
9 HEALTH INSURANCE PROGRAM; TO ESTABLISH THE EMPLOYEE BENEFITS DIVISION
10 OVERSIGHT SUBCOMMITTEE; AND TO DECLARE AN EMERGENCY.

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

13
14 SECTION 1. Arkansas Code Title 10, Chapter 3, Subchapter 3, is amended
15 to add an additional section to read as follows:

16 10-3-320. Employee Benefits Division Oversight Subcommittee.

17 (a) The Legislative Council shall establish by rule the Employee
18 Benefits Division Oversight Subcommittee, which shall have oversight of all
19 decisions of the State Board of Finance related to the State and Public
20 School Life and Health Insurance Program.

21 (b) The following decisions of the board pertaining to the program
22 shall be referred to the Employee Benefits Division Oversight Subcommittee:

23 (1)(A) A new or significantly modified cost-containment measure.

24 (B) As used in this subdivision (b)(1), "cost-containment
25 measure" means a process or practice of controlling and managing expenses of
26 the program by reducing or limiting the amount of spending required to
27 administer the program and remain within specific, preplanned budgetary
28 constraints;

29 (2) Any change in plan options offered under the program for
30 state employees or public school employees;

31 (3) Potential funding changes to the program;

32 (4) Any premium increases or decreases over the previous plan
33 year;

34 (5) Any concern involving the reserve balance for state
35 employees or public school employees;

36 (6) Changes to the four-year projections for the program;

1 (7) Changes that would limit, eliminate, or increase benefits of
2 plan options offered under the program and the effect these changes would
3 have on the fiscal viability of the program, including the reserve balance
4 for state employees or public school employees;

5 (8) Changes that would limit, eliminate, or increase eligibility
6 requirements for the program;

7 (9) Vendor issues or changes in vendors from the previous plan
8 year;

9 (10) Proposed contracts or changes in contracts from the
10 previous plan year;

11 (11) Any change in consultants from the previous plan year;

12 (12) Rules promulgated by the board or by the Employee Benefits
13 Division regarding the implementation, administration, or enforcement of the
14 program; and

15 (13) Such other matters related to the program as the Employee
16 Benefits Division Oversight Subcommittee considers necessary to perform its
17 oversight of all matters related to the program.

18 (c)(1) Except as provided in subdivision (c)(2) of this section, if a
19 matter referred to the Employee Benefits Division Oversight Subcommittee
20 under subsection (b) of this section would otherwise require review or
21 approval, or both, by a subcommittee of the Legislative Council, the Employee
22 Benefits Division Oversight Subcommittee shall serve as the subcommittee of
23 the Legislative Council that performs the required review or approval, or
24 both, of the matter.

25 (2) Proposed rules submitted to the Employee Benefits Division
26 Oversight Subcommittee under this section are not subject to approval by the
27 Employee Benefits Division Oversight Subcommittee but are submitted for
28 review purposes only.

29 (d)(1) During a regular, fiscal, or extraordinary session of the
30 General Assembly, the Joint Budget Committee shall perform the functions
31 assigned to the Employee Benefits Division Oversight Subcommittee.

32 (2) The Joint Budget Committee may establish a subcommittee to
33 perform the functions of the Employee Benefits Division Oversight
34 Subcommittee that are assigned to the Joint Budget Committee under
35 subdivision (d)(1) of this section.

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

3 21-5-419. Accountability – Legislative oversight – Transparency –
4 Quarterly reports.

5 (a) The General Assembly finds that:

6 (1) The continual evaluation of the State and Public School Life
7 and Health Insurance Program by the General Assembly is critical for:

8 (A) Maximizing the benefits to the state employees and
9 public school employees who are participants in the program; and

10 (B) Maintaining continued viability of the program;

11 (2) Accountability and transparency in the operation of the
12 program are vital to a proper evaluation of the program; and

13 (3) Extraordinary provisions for legislative oversight of the
14 program are necessary and required.

15 (b)(1) The State Board of Finance and the Director of the Employee
16 Benefits Division shall report to the Legislative Council on a quarterly
17 basis.

18 (2) The quarterly report required under subdivision (b)(1) of
19 this section shall:

20 (A) Be known as the "Employee Benefits Division Quarterly
21 Report";

22 (B) Be submitted to the Legislative Council no later than
23 thirty (30) calendar days after the end of each calendar quarter; and

24 (C) Include without limitation the following information
25 regarding the program:

26 (i)(a) A new or significantly modified cost-
27 containment measure.

28 (b) As used in this subdivision (b)(2)(C)(i),
29 "cost-containment measure" means a process or practice of controlling and
30 managing expenses of the program by reducing or limiting the amount of
31 spending required to administer the program and remain within specific,
32 preplanned budgetary constraints;

33 (ii) Any change in plan options offered under the
34 program for state employees or public school employees;

35 (iii) Potential funding changes to the program;

36 (iv) Any premium increases or decreases over the

1 previous plan year;

2 (v) Any concern involving the reserve balance for
3 state employees or public school employees;

4 (vi) Changes to the four-year projections for the
5 program;

6 (vii) Changes that would limit, eliminate, or
7 increase benefits of plan options offered under the program and the impact
8 these changes would have on the fiscal viability of the program, including
9 the reserve balance for state employees or public school employees;

10 (viii) Changes that would limit, eliminate, or
11 increase eligibility requirements for the program;

12 (ix) Vendor issues or changes in vendors from the
13 previous year;

14 (x) Proposed contracts or changes in contracts from
15 the previous year;

16 (xi) Any change in consultants from the previous
17 year;

18 (xii) Rules promulgated by the board or the Employee
19 Benefits Division regarding the implementation, administration, or
20 enforcement of the program; and

21 (xiii) Such other matters related to the program as
22 the Legislative Council considers necessary to perform its oversight of all
23 matters related to the program.

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25 SECTION 3. TEMPORARY LANGUAGE. DO NOT CODIFY. Study of general
26 diabetes management program – Legislative findings – Reporting requirements.

27 (a) The General Assembly finds that:

28 (1) Optimal health results and realizing the maximum potential
29 of a well-being program can be achieved through sustained behavior changes
30 and healthy habits;

31 (2) Well-being programs are most successful when the well-being
32 programs focus on results-based outcomes;

33 (3) Well-being programs have a higher return on investment if
34 well-being programs that are results-based are focused on the highest risk
35 population;

36 (4) In 2019, there were over three hundred sixty thousand

1 (360,000) Arkansans with diabetes, and almost eight hundred thousand
2 (800,000) Arkansans had prediabetes;

3 (5) The annual medical cost related to diabetes and prediabetes
4 in Arkansas has recently been estimated at three billion one hundred million
5 dollars (\$3,100,000,000), including the cost of prescription drugs used to
6 treat diabetes;

7 (6) The diabetes epidemic has an associated fiscal and societal
8 impact on the viability and sustainability of the State and Public School
9 Life and Health Insurance Program;

10 (7) If the State and Public School Life and Health Insurance
11 Program fails to address and properly manage diabetes as a chronic illness,
12 there may be an increase in diabetes-related complications, including without
13 limitation heart disease, stroke, and kidney damage; and

14 (8) In order to demonstrate the effectiveness of a well-being
15 program that is focused on results-based outcomes and sustained behavior
16 changes, additional data is needed.

17 (b) The Employee Benefits Division Oversight Subcommittee with the
18 cooperation of the Director of the Employee Benefits Division shall study
19 general diabetes management programs to evaluate the viability and
20 sustainability of a general diabetes management program for the State and
21 Public School Life and Health Insurance Program.

22 (c) The study under subsection (b) of this section shall include:

23 (1) Evaluating possible general diabetes management programs for
24 managing diabetes of members of the State and Public School Life and Health
25 Insurance Program; and

26 (2) Developing recommendations for potential legislation for the
27 2025 Regular Session of the General Assembly that are necessary to implement
28 a general diabetes management program for the State and Public School Life
29 and Health Insurance Program.

30 (d) A report summarizing the results of the study under this section
31 shall be filed with the Legislative Council no later than July 1, 2024.

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33 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
34 General Assembly of the State of Arkansas that the State and Public School
35 Life and Health Insurance Program is inadequate to provide sustainable
36 affordable health benefits for public school employees and state employees;

1 that an urgent need exists to address the state's funding and administration
2 of benefits for public school employees and state employees in order for the
3 program to remain viable and to avoid severe financial hardship to plan
4 participants; and that this act is immediately necessary to provide
5 affordable health benefit options in a timely manner to the state's public
6 school employees participating in the program and state employees
7 participating in the program. Therefore, an emergency is declared to exist,
8 and this act being immediately necessary for the preservation of the public
9 peace, health, and safety shall become effective on:

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

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

14 (3) If the bill is vetoed by the Governor and the veto is
15 overridden, the date the last house overrides the veto."

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