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Stricken language would be deleted from and underlined language would be added to present law.

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

A Bill

DRAFT ANS/ANS
HOUSE BILL

5 By: Representative <NA>
6

For An Act To Be Entitled

8 AN ACT TO ESTABLISH ACCOUNTABILITY TO MAINTAIN A
9 SUSTAINABLE SYSTEM OF HEALTH INSURANCE BENEFITS FOR
10 PUBLIC SCHOOL EMPLOYEES; TO CLARIFY THE DUTIES AND
11 RESPONSIBILITIES OF THE STATE AND PUBLIC SCHOOL LIFE
12 AND HEALTH INSURANCE BOARD; AND FOR OTHER PURPOSES.
13
14

Subtitle

15 TO ESTABLISH ACCOUNTABILITY TO MAINTAIN A
16 SUSTAINABLE SYSTEM OF HEALTH INSURANCE
17 BENEFITS FOR PUBLIC SCHOOL EMPLOYEES AND
18 TO CLARIFY THE DUTIES AND
19 RESPONSIBILITIES OF THE STATE AND PUBLIC
20 SCHOOL LIFE AND HEALTH INSURANCE BOARD.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 21-5-402(a)(1), concerning the membership
27 of the State and Public School Life and Health Insurance Board, is amended to
28 read as follows:

29 (a)(1) The State and Public School Life and Health Insurance Board is
30 created, composed of the following ~~fourteen (14)~~ fifteen (15) voting members:

31 (A) A state employee who is eligible to participate in the
32 ~~insurance program under this subchapter~~ State and Public School Life and
33 Health Insurance Program, appointed by the Governor;

34 (B) ~~A certified classroom teacher~~ Two (2) public school
35 employees, at least one (1) of whom is employed by a rural school district,
36 appointed by the Governor;

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- 1 (C) The Insurance Commissioner or his or her designee;
- 2 (D) The Commissioner of Education or his or her designee;
- 3 (E) The Director of the Department of Finance and
- 4 Administration or his or her designee;
- 5 (F) Three (3) members who are engaged in employee benefits
- 6 management or risk management, in private industry at least one (1) of whom
- 7 is a licensed healthcare provider, appointed by the Governor;
- 8 (G) Two (2) ~~additional member positions that shall be~~
- 9 ~~filled by members, one (1) of whom is a retired teacher public school~~
- 10 employee and by one (1) of whom is a retired state employee, appointed by the
- 11 Governor;
- 12 (H) One (1) public school employee who is employed by a
- 13 school district as an administrator, appointed by the Governor;
- 14 (I) The Executive Director of the Arkansas State Board of
- 15 Pharmacy or his or her state employee pharmacist designee;
- 16 (J) The Director of Health Facility Services of the
- 17 Department of Health or his or her designee; and
- 18 (K) One (1) member who is a ~~licensed health care provider~~
- 19 ~~appointed by the Governor~~ member of the Arkansas Medical, Dental, and
- 20 Pharmaceutical Association, appointed by the Governor.

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22 SECTION 2. Arkansas Code § 21-5-404(1), concerning powers, functions,

23 and duties of the State and Public School Life and Health Insurance Board, is

24 amended to add an additional subdivision to read as follows:

25 (C) The board shall require mandatory enrollment in a health

26 savings account for a person to be eligible to participate in a consumer-

27 driven health insurance plan option offered under the program;



28

29 SECTION 3. Arkansas Code § 21-5-404(12)(A)(i), concerning the

30 membership of the Benefits Subcommittee of the State and Public School Life

31 and Health Insurance Board, is amended to read as follows:

32 (A)(i) The Benefits Subcommittee of the State and Public

33 School Life and Health Insurance Board shall consist of:

- 34 (a) Three (3) board members;
- 35 (b) Two (2) state employees; and
- 36 (c) ~~Two (2)~~ Three (3) public school employees,

1 at least one (1) of whom is employed by a rural school district; and
2 (d) One (1) retired public school employee.

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4 SECTION 4. Arkansas Code § 21-5-404(12)(B)(i)(d), concerning the
5 membership of the Drug Utilization and Evaluation Subcommittee of the State
6 and Public School Life and Health Insurance Board, is amended to read as
7 follows:

8 (d)(1) One (1) state employee and ~~one (1) two~~
9 (2) public school employee employees appointed by the board.
10 (2) each of whom has A member appointed
11 under this subdivision (12)(B)(i)(d) shall have expertise in accounting,
12 finance, auditing, or insurance.

13
14 SECTION 5. Arkansas Code § 21-5-405(a), concerning the duties of the
15 State and Public School Life and Health Insurance Board, is amended to add an
16 additional subdivision to read as follows:

17 (3) The board shall discontinue or suspend a plan option offered
18 under the program if the board determines adjustments are necessary to ensure
19 the financial soundness and overall well-being of the program.

20
21 SECTION 6. Arkansas Code § 21-5-405(b), concerning the duties of the
22 State and Public School Life and Health Insurance Board, is amended to add
23 additional subdivisions to read as follows:

24 (7) Ensure that a spouse of a participant who has
25 healthcare coverage offered through another group health plan is not eligible
26 to participate in the program; and

27 (8) Develop a uniform procedure to verify that:

28 (A) A dependent of a participant is eligible for
29 continued coverage under the program; and

30 (B) The existence of separate healthcare coverage is
31 offered to a spouse of a participant that would exclude the spouse from
32 participation in the program.

33
34 SECTION 7. Arkansas Code § 21-5-405(b)(4)(C), concerning the duties of
35 the State and Public School Life and Health Insurance Board, is repealed.

36 ~~(C)(i) A school district shall ensure that all funding~~

1 ~~allocated for public school employee health insurance through the matrix per-~~
2 ~~student funding calculation used in the most recent adequacy study conducted~~
3 ~~under the Continuing Adequacy Evaluation Act of 2004, § 10-3-2101 et seq., is~~
4 ~~used to support public school employee health insurance premiums by:~~

5 ~~(a) Increasing the amount that the school~~
6 ~~district contributes for health insurance per participating public school~~
7 ~~employee; or~~

8 ~~(b) Making contributions to the health savings~~
9 ~~accounts of participating public school employees.~~

10 ~~(ii) The Department of Education, with the~~
11 ~~assistance of the Bureau of Legislative Research, shall notify a school~~
12 ~~district of the amount allocated for public school employee health insurance~~
13 ~~through the matrix per student funding calculation used in the most recent~~
14 ~~adequacy study conducted under the Continuing Adequacy Evaluation Act of~~
15 ~~2004, § 10-3-2101 et seq., when the Department of Education disburses~~
16 ~~foundation funds to a school district;~~

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18 SECTION 8. Arkansas Code § 21-5-407(3), concerning the definition of
19 "dependent" under the State and Public School Life and Health Insurance
20 Program, is amended to read as follows:

21 (3)(A) ~~"Dependent" means a member of a participant's family~~
22 ~~child or spouse who is eligible for coverage under the State and Public~~
23 ~~School Life and Health Insurance Program;.~~

24 (B) However, "dependent" does not include:

25 (i) An individual who is legally separated or
26 divorced from the participant; or

27 (ii) A participant's spouse if the spouse is offered
28 healthcare coverage through a separate employer-funded or employee-funded
29 benefit plan other than the program;

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31 SECTION 9. Arkansas Code § 21-5-407(7), concerning the definition of
32 "participant" under the State and Public School Life and Health Insurance
33 Program, is amended to read as follows:

34 (7) "Participant" means an individual, an individual's spouse,
35 or an individual's covered dependent who is enrolled in a plan option offered
36 under the program and continues to be eligible for participation in the

1 program;

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3 SECTION 10. Arkansas Code § 21-5-407, concerning definitions under the
4 State and Public School Life and Health Insurance Program, is amended to add
5 an additional subdivision to read as follows:

6 (18) "Rural school district" means a school district or a public
7 charter school that has an average daily membership of one thousand (1,000)
8 students or less.

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