

1 State of Arkansas
2 90th General Assembly
3 Fiscal Session, 2016

HR 1004

4
5 By: Representative Ballinger
6

7 **HOUSE RESOLUTION**

8 TO AUTHORIZE THE INTRODUCTION OF A NONAPPROPRIATION
9 BILL CONCERNING THE HEALTH CARE INDEPENDENCE PROGRAM
10 AND THE ARKANSAS WORKS PROGRAM.
11

12
13 **Subtitle**

14 TO AUTHORIZE THE INTRODUCTION OF A
15 NONAPPROPRIATION BILL CONCERNING THE
16 HEALTH CARE INDEPENDENCE PROGRAM AND THE
17 ARKANSAS WORKS PROGRAM.
18

19
20 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE NINETIETH GENERAL
21 ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 That Senator Hester is authorized to introduce a bill which as introduced
24 will read substantially as follows:
25

26 "For An Act To Be Entitled
27 AN ACT TO REPEAL IDENTICAL ACTS 2016 (2ND EX. SESS.), NOS. 1 AND 2, CREATING
28 THE ARKANSAS WORKS PROGRAM AND AMENDING VARIOUS SECTIONS OF THE ARKANSAS
29 CODE; TO STOP ENROLLMENT IN AND TERMINATE THE HEALTH CARE INDEPENDENCE
30 PROGRAM; AND FOR OTHER PURPOSES.
31

32 Subtitle
33 TO REPEAL IDENTICAL ACTS 2016 (2ND EX. SESS.), NOS. 1 AND 2, CREATING THE
34 ARKANSAS WORKS PROGRAM AND AMENDING VARIOUS SECTIONS OF THE ARKANSAS CODE;
35 AND TO STOP ENROLLMENT IN AND TERMINATE THE HEALTH CARE INDEPENDENCE PROGRAM.
36



1
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

3
4 SECTION 1. DO NOT CODIFY. Legislative intent.

5 It is the intent of the General Assembly to:

6 (1) Repeal identical Acts 2016 (2nd Ex. Sess.), Nos. 1 and 2,
7 creating the Arkansas Works Program and amending various sections of the
8 Arkansas Code; and

9 (2) Instruct the Governor to submit a waiver to stop enrollment
10 in the Health Care Independence Program, and terminate the Health Care
11 Independence Program on December 31, 2016.

12
13 SECTION 2. DO NOT CODIFY. Stopping enrollment in the Health Care
14 Independence Program – Terminating the Health Care Independence Program.

15 (a)(1) Except as provided in subdivision (a)(2) of this section, on
16 and after January 1, 2017, the Department of Human Services shall not
17 allocate, budget, expend, or utilize appropriations for services, coverage,
18 or premium assistance to persons enrolled in:

19 (A) The Health Care Independence Program established under
20 the Health Care Independence Act of 2013, § 20-77-2401 et seq.; or

21 (B) The Arkansas Works Program established under Identical
22 Acts 2016 (2nd Ex. Sess.), Nos. 1 and 2.

23 (2) The department shall allocate, budget, expend, and utilize
24 appropriations under this section until 11:59 p.m. on December 31, 2016, for
25 services, coverage, and premium assistance for individuals enrolled and
26 participating before June 30, 2016, in the Health Care Independence Program
27 established under the Health Care Independence Act of 2013, § 20-77-2401 et
28 seq.

29 (b) Except as authorized by this section, at no time shall an
30 appropriation authorized by this act be subject to the provisions allowed
31 through reallocation of resources, or transfer of appropriation authority,
32 for the purpose of transferring appropriation to any other appropriation
33 authorized for the department to be allocated, budgeted, expended, or
34 utilized for services, coverage, or premium assistance to persons enrolled
35 in:

36 (1) The Health Care Independence Program established under the

1 Health Care Independence Act of 2013, § 20-77-2401 et seq.; or

2 (2) The Arkansas Works Program established under Identical Acts
3 2016 (2nd Ex. Sess.), Nos. 1 and 2.

4 (c) The department shall not accept applications submitted on or after
5 June 30, 2016, for enrollment in:

6 (1) The Health Care Independence Program established under the
7 Health Care Independence Act of 2013, § 20-77-2401 et seq.; or

8 (2) The Arkansas Works Program established under Identical Acts
9 2016 (2nd Ex. Sess.), Nos. 1 and 2.

10 (d) Upon the effective date of this act, the department shall submit
11 any Medicaid state plan amendments and federal waivers necessary to eliminate
12 the eligibility after December 31, 2016, for the group described at 42 C.F.R.
13 § 435.119, as it existed on January 1, 2016.

14 (e) This section does not prohibit the payment of expenses incurred
15 before December 31, 2016, by persons participating in the Health Care
16 Independence Program who were determined to be more effectively covered
17 through the traditional Arkansas Medicaid Program.

18
19 SECTION 3. Arkansas Code § 20-77-2408 is amended to read as follows:
20 20-77-2408. Effective Date.

21 This subchapter shall be in effect until ~~June 30, 2017, unless amended~~
22 ~~or extended by the General Assembly~~ December 31, 2016.

23
24 SECTION 4. Identical Acts 2016 (2nd Ex. Sess.), Nos. 1 and 2, are
25 repealed.

26 ~~WHEREAS, the State of Arkansas continues to seek strategies to provide~~
27 ~~health insurance for low income and other vulnerable populations in a manner~~
28 ~~that will encourage employer based insurance, incentivize program~~
29 ~~beneficiaries to work or seek work opportunities, promote personal~~
30 ~~responsibility, and enhance program integrity; and~~

31
32 ~~WHEREAS, the General Assembly affirms its responsibility to safeguard~~
33 ~~consumers and businesses from federal mandates by asserting local control and~~
34 ~~implementation of modernized health insurance policies and programs that~~
35 ~~utilize the private market to improve access to health insurance, enhance the~~
36 ~~quality of health insurance, and reduce health insurance costs; and~~

1
 2 ~~WHEREAS, Arkansas recognizes the need to encourage employment among~~
 3 ~~beneficiaries of public assistance programs, offer enhanced opportunities for~~
 4 ~~beneficiaries to obtain jobs and job training, and endow beneficiaries with~~
 5 ~~the tools to achieve economic advancement; and~~

6
 7 ~~WHEREAS, the Health Care Independence Program will terminate on~~
 8 ~~December 31, 2016; and~~

9
 10 ~~WHEREAS, the General Assembly hereby creates the Arkansas Works Act of~~
 11 ~~2016 to provide health insurance to qualifying individuals,~~

12
 13 ~~NOW THEREFORE,~~

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

15
 16 ~~SECTION 1. Arkansas Code Title 23, Chapter 61, is amended to create a~~
 17 ~~new subchapter to read as follows:~~

18 ~~Subchapter 10 — Arkansas Works Act of 2016~~

19
 20 ~~23-61-1001. Title.~~

21 ~~This subchapter shall be known and may be cited as the "Arkansas Works~~
 22 ~~Act of 2016".~~

23
 24 ~~23-61-1002. Legislative intent.~~

25 ~~Notwithstanding any general or specific laws to the contrary, it is the~~
 26 ~~intent of the General Assembly for the Arkansas Works Program to be a~~
 27 ~~fiscally sustainable, cost-effective, and opportunity-driven program that:~~

28 ~~(1) Empowers individuals to improve their economic security and~~
 29 ~~achieve self-reliance;~~

30 ~~(2) Builds on private insurance market competition and value-~~
 31 ~~based insurance purchasing models;~~

32 ~~(3) Strengthens the ability of employers to recruit and retain~~
 33 ~~productive employees; and~~

34 ~~(4) Achieves comprehensive and innovative healthcare reform that~~
 35 ~~reduce state and federal obligations for entitlement spending.~~

1 ~~23-61-1003. Definitions.~~

2 ~~As used in this subchapter:~~

3 ~~(1) "Cost-effective" means that the cost of covering employees~~
4 ~~who are:~~

5 ~~(A) Program participants, either individually or together~~
6 ~~within an employer health insurance coverage, is the same or less than the~~
7 ~~cost of providing comparable coverage through individual qualified health~~
8 ~~insurance plans; or~~

9 ~~(B) Eligible individuals who are not program participants,~~
10 ~~either individually or together within an employer health insurance coverage,~~
11 ~~is the same or less than the cost of providing comparable coverage through a~~
12 ~~program authorized under Title XIX of the Social Security Act, 42 U.S.C. §~~
13 ~~1396 et seq., as it existed on January 1, 2016;~~

14 ~~(2) "Cost sharing" means the portion of the cost of a covered~~
15 ~~medical service that is required to be paid by or on behalf of an eligible~~
16 ~~individual;~~

17 ~~(3) "Eligible individual" means an individual who is in the~~
18 ~~eligibility category created by section 1902(a)(10)(A)(i)(VIII) of the Social~~
19 ~~Security Act, 42 U.S.C. § 1396a;~~

20 ~~(4) "Employer health insurance coverage" means a health~~
21 ~~insurance benefit plan offered by an employer or, as authorized by this~~
22 ~~subchapter, an employer self-funded insurance plan governed by the Employee~~
23 ~~Retirement Income Security Act of 1974, Pub. L. No. 93-406, as amended;~~

24 ~~(5) "Health insurance benefit plan" means a policy, contract,~~
25 ~~certificate, or agreement offered or issued by a health insurer to provide,~~
26 ~~deliver, arrange for, pay for, or reimburse any of the costs of healthcare~~
27 ~~services, but not including excepted benefits as defined under 42 U.S.C. §~~
28 ~~300gg-91(c), as it existed on January 1, 2016;~~

29 ~~(6) "Health insurance marketplace" means the applicable entities~~
30 ~~that were designed to help individuals, families, and businesses in Arkansas~~
31 ~~shop for and select health insurance benefit plans in a way that permits~~
32 ~~comparison of available plans based upon price, benefits, services, and~~
33 ~~quality, and refers to either:~~

34 ~~(A) The Arkansas Health Insurance Marketplace created~~
35 ~~under the Arkansas Health Insurance Marketplace Act, § 23-61-801 et seq., or~~
36 ~~a successor entity; or~~

1 ~~(B) The federal health insurance marketplace or federal~~
 2 ~~health benefit exchange created under Pub. L. No. 111-148;~~

3 ~~(7) "Health insurer" means an insurer authorized by the State~~
 4 ~~Insurance Department to provide health insurance or a health insurance~~
 5 ~~benefit plan in the State of Arkansas, including without limitation;~~

6 ~~(A) An insurance company;~~

7 ~~(B) A medical services plan;~~

8 ~~(C) A hospital plan;~~

9 ~~(D) A hospital medical service corporation;~~

10 ~~(E) A health maintenance organization;~~

11 ~~(F) A fraternal benefits society; or~~

12 ~~(G) Any other entity providing health insurance or a~~
 13 ~~health insurance benefit plan subject to state insurance regulation;~~

14 ~~(8) "Individual qualified health insurance plan" means an~~
 15 ~~individual health insurance benefit plan offered by a health insurer through~~
 16 ~~the health insurance marketplace that covers only essential health benefits~~
 17 ~~as defined by Arkansas rule and 45 C.F.R. § 156.110 and any federal insurance~~
 18 ~~regulations, as they existed on January 1, 2016;~~

19 ~~(9) "Premium" means a monthly fee that is required to be paid to~~
 20 ~~maintain some or all health insurance benefits;~~

21 ~~(10) "Program participant" means an eligible individual who:~~

22 ~~(A) Is at least nineteen (19) years of age and no more~~
 23 ~~than sixty four (64) years of age with an income that is equal to or less~~
 24 ~~than one hundred thirty eight percent (138%) of the federal poverty level;~~

25 ~~(B) Is authenticated to be a United States citizen or~~
 26 ~~documented qualified alien according to the Personal Responsibility and Work~~
 27 ~~Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193;~~

28 ~~(C) Is not eligible for Medicare or advanced premium tax~~
 29 ~~credits through the health insurance marketplace; and~~

30 ~~(D) Is not determined to be more effectively covered~~
 31 ~~through the traditional Arkansas Medicaid Program, including without~~
 32 ~~limitation;~~

33 ~~(i) An individual who is medically frail; or~~

34 ~~(ii) An individual who has exceptional medical needs~~
 35 ~~for whom coverage offered through the health insurance marketplace is~~
 36 ~~determined to be impractical, overly complex, or would undermine continuity~~

1 ~~or effectiveness of care; and~~

2 ~~(1)(A) "Small group plan" means a health insurance benefit plan~~
 3 ~~for a small employer that employed an average of at least two (2) but no more~~
 4 ~~than fifty (50) employees during the preceding calendar year.~~

5 ~~(B) "Small group plan" does not include a grandfathered~~
 6 ~~health insurance plan as defined in 45 C.F.R. § 147.140(a)(1)(i), as it~~
 7 ~~existed on January 1, 2016.~~

8
 9 ~~23-61-1004. Administration of Arkansas Works Program.~~

10 ~~(a)(1) The Department of Human Services, in coordination with the~~
 11 ~~State Insurance Department and other necessary state agencies, shall:~~

12 ~~(A) Provide health insurance or medical assistance under~~
 13 ~~this subchapter to eligible individuals;~~

14 ~~(B) Create and administer the Arkansas Works Program;~~

15 ~~(C) Submit and apply for any federal waivers, Medicaid~~
 16 ~~state plan amendments, or other authority necessary to implement the Arkansas~~
 17 ~~Works Program in a manner consistent with this subchapter;~~

18 ~~(D) Offer incentive benefits to promote personal~~
 19 ~~responsibility; and~~

20 ~~(E) Seek a waiver to eliminate retroactive eligibility for~~
 21 ~~an eligible individual under this subchapter.~~

22 ~~(2) The Governor shall request the assistance and involvement of~~
 23 ~~other state agencies that he or she deems necessary for the implementation of~~
 24 ~~the Arkansas Works Program.~~

25 ~~(b) Health insurance benefits under this subchapter shall be provided~~
 26 ~~through:~~

27 ~~(1) Individual premium assistance for enrollment of Arkansas~~
 28 ~~Works Program participants in individual qualified health insurance plans;~~

29 ~~(2) Employer sponsored premium assistance for certain eligible~~
 30 ~~individuals who enroll in employer health insurance coverage; and~~

31 ~~(3) Supplemental benefits to incentivize personal~~
 32 ~~responsibility.~~

33 ~~(c) The Department of Human Services, the State Insurance Department,~~
 34 ~~the Department of Workforce Services, and other necessary state agencies~~
 35 ~~shall promulgate and administer rules to implement the Arkansas Works~~
 36 ~~Program.~~

1 ~~(d)(1) Within thirty (30) days of a reduction in federal medical~~
 2 ~~assistance percentages as described in this section, the Department of Human~~
 3 ~~Services shall present to the Centers of Medicare and Medicaid Services a~~
 4 ~~plan to terminate the Arkansas Works Program and transition eligible~~
 5 ~~individuals out of the Arkansas Works Program within one hundred twenty (120)~~
 6 ~~days of a reduction in any of the following federal medical assistance~~
 7 ~~percentages:~~

8 ~~(A) Ninety five percent (95%) in the year 2017;~~

9 ~~(B) Ninety four percent (94%) in the year 2018;~~

10 ~~(C) Ninety three percent (93%) in the year 2019; and~~

11 ~~(D) Ninety percent (90%) in the year 2020 or any year~~
 12 ~~after the year 2020.~~

13 ~~(2) An eligible individual shall maintain coverage during the~~
 14 ~~process to implement the plan to terminate the Arkansas Works Program and the~~
 15 ~~transition of eligible individuals out of the Arkansas Works Program.~~

16 ~~(c) State obligations for uncompensated care shall be tracked and~~
 17 ~~reported to identify potential incremental future decreases.~~

18 ~~(f) The Department of Human Services shall track the hospital~~
 19 ~~assessment fee imposed by § 20-77-1902 and report to the General Assembly~~
 20 ~~subsequent decreases based upon reduced uncompensated care.~~

21 ~~(g)(1) On a quarterly basis, the Department of Human Services, the~~
 22 ~~State Insurance Department, the Department of Workforce Services, and other~~
 23 ~~necessary state agencies shall report to the Legislative Council, or to the~~
 24 ~~Joint Budget Committee if the General Assembly is in session, available~~
 25 ~~information regarding the overall Arkansas Works Program, including without~~
 26 ~~limitation:~~

27 ~~(A) Eligibility and enrollment;~~

28 ~~(B) Utilization;~~

29 ~~(C) Premium and cost sharing reduction costs;~~

30 ~~(D) Health insurer participation and competition;~~

31 ~~(E) Avoided uncompensated care; and~~

32 ~~(F) Participation in job training and job search programs.~~

33 ~~(2)(A) A health insurer who is providing an individual qualified~~
 34 ~~health insurance plan or employer health insurance coverage for an eligible~~
 35 ~~individual shall submit claims and enrollment data to the State Insurance~~
 36 ~~Department to facilitate reporting required under this subchapter or other~~

~~state or federally required reporting or evaluation activities.~~

~~(B) A health insurer may utilize existing mechanisms with supplemental enrollment information to fulfill requirements under this subchapter, including without limitation the state's all-payer claims database established under the Arkansas Healthcare Transparency Initiative Act of 2015, § 23-61-901 et seq., for claims and enrollment data submission.~~

~~(h) The Governor shall request a block grant under relevant federal law and regulations for the funding of the Arkansas Medicaid Program as soon as practical if the federal law or regulations change to allow the approval of a block grant for this purpose.~~

~~23-61-1005. Requirements for eligible individuals.~~

~~(a)(1) To promote health, wellness, and healthcare education about appropriate healthcare-seeking behaviors, an eligible individual shall receive a wellness visit from a primary care provider within:~~

~~(A) The first year of enrollment in health insurance coverage for an eligible individual who is not a program participant and is enrolled in employer health insurance coverage; and~~

~~(B) The first year of, and thereafter annually:~~

~~(i) Enrollment in an individual qualified health insurance plan or employer health insurance coverage for a program participant; or~~

~~(ii) Notice of eligibility determination for an eligible individual who is not a program participant and is not enrolled in employer health insurance coverage.~~

~~(2) Failure to meet the requirement in subdivision (a)(1) of this section shall result in the loss of incentive benefits for a period of up to one (1) year, as incentive benefits are defined by the Department of Human Services in consultation with the State Insurance Department.~~

~~(b)(1) An eligible individual who has up to fifty percent (50%) of the federal poverty level at the time of an eligibility determination shall be referred to the Department of Workforce Services to:~~

~~(A) Incentivize and increase work and work training opportunities; and~~

~~(B) Participate in job training and job search programs.~~

~~(2) The Department of Human Services, or its designee, shall~~

1 ~~provide work training opportunities, outreach, and education about work and~~
2 ~~work training opportunities through the Department of Workforce Services to~~
3 ~~all eligible individuals regardless of income at the time of an eligibility~~
4 ~~determination.~~

5 ~~(c) An eligible individual shall receive notice that:~~

6 ~~(1) The Arkansas Works Program is not a perpetual federal or~~
7 ~~state right or a guaranteed entitlement;~~

8 ~~(2) The Arkansas Works Program is subject to cancellation upon~~
9 ~~appropriate notice; and~~

10 ~~(3) The Arkansas Works Program is not an entitlement program.~~

11
12 ~~23-61-1006. Requirements for program participants.~~

13 ~~(a) A program participant who is twenty-one (21) years of age or older~~
14 ~~shall enroll in employer health insurance coverage if the employer health~~
15 ~~insurance coverage meets the standards in § 23-61-1008(a).~~

16 ~~(b)(1) A program participant who has income of at least one hundred~~
17 ~~percent (100%) of the federal poverty level shall pay a premium of no more~~
18 ~~than two percent (2%) of the income to a health insurer.~~

19 ~~(2) Failure by the program participant to meet the requirement~~
20 ~~in subdivision (b)(1) of this section may result in:~~

21 ~~(A) The accrual of a debt to the State of Arkansas; and~~

22 ~~(B)(i) The loss of incentive benefits in the event of~~
23 ~~failure to pay premiums for three (3) consecutive months, as incentive~~
24 ~~benefits are defined by the Department of Human Services in consultation with~~
25 ~~the State Insurance Department.~~

26 ~~(ii) However, incentive benefits shall be restored~~
27 ~~if a program participant pays all premiums owed.~~

28
29 ~~23-61-1007. Insurance standards for individual qualified health~~
30 ~~insurance plans.~~

31 ~~(a) Insurance coverage for a program participant enrolled in an~~
32 ~~individual qualified health insurance plan shall be obtained through silver-~~
33 ~~level metallic plans as provided in 42 U.S.C. § 18022(d) and § 18071, as they~~
34 ~~existed on January 1, 2016, that restrict out-of-pocket costs to amounts that~~
35 ~~do not exceed applicable out-of-pocket cost limitations.~~

36 ~~(b) The Department of Human Services shall pay premiums and~~

1 ~~supplemental cost sharing reductions directly to a health insurer for a~~
2 ~~program participant enrolled in an individual qualified health insurance~~
3 ~~plan.~~

4 ~~(c) All participating health insurers offering individual qualified~~
5 ~~health insurance plans in the health insurance marketplace shall:~~

6 ~~(1)(A) Offer individual qualified health insurance plans~~
7 ~~conforming to the requirements of this section and applicable insurance~~
8 ~~rules.~~

9 ~~(B) The individual qualified health insurance plans shall~~
10 ~~be approved by the State Insurance Department; and~~

11 ~~(2) Maintain a medical loss ratio of at least eighty percent~~
12 ~~(80%) for an individual qualified health insurance plan as required under 45~~
13 ~~G.F.R. § 158.210(c), as it existed on January 1, 2016, or rebate the~~
14 ~~difference to the Department of Human Services for program participants.~~

15 ~~(d) The State of Arkansas shall assure that at least two (2)~~
16 ~~individual qualified health insurance plans are offered in each county in the~~
17 ~~state.~~

18 ~~(e) A health insurer offering individual qualified health insurance~~
19 ~~plans for program participants shall participate in the Arkansas Patient-~~
20 ~~Centered Medical Home Program, including:~~

21 ~~(1) Attributing enrollees in individual qualified health~~
22 ~~insurance plans, including program participants, to a primary care physician;~~

23 ~~(2) Providing financial support to patient-centered medical~~
24 ~~homes to meet practice transformation milestones; and~~

25 ~~(3) Supplying clinical performance data to patient-centered~~
26 ~~medical homes, including data to enable patient-centered medical homes to~~
27 ~~assess the relative cost and quality of healthcare providers to whom patient-~~
28 ~~centered medical homes refer patients.~~

29 ~~(f) On or before January 1, 2017, the State Insurance Department and~~
30 ~~the Department of Human Services may implement through certification~~
31 ~~requirements or rule, or both, the applicable provisions of this section.~~

32
33 ~~23-61-1008. Insurance standards for employer health insurance~~
34 ~~coverage.~~

35 ~~(a) A program participant shall enroll in employer health insurance~~
36 ~~coverage if:~~

1 ~~(1) The employer of the program participant elects to~~
2 ~~participate;~~

3 ~~(2) Except as authorized under subsection (c) of this section,~~
4 ~~the employer health insurance coverage is a small group plan that provides~~
5 ~~essential health benefits as defined by 45 C.F.R. § 156.110, as it existed on~~
6 ~~January 1, 2016, and has no less than a seventy percent (70%) actuarial~~
7 ~~value;~~

8 ~~(3) The employer health insurance coverage is deemed cost-~~
9 ~~effective; and~~

10 ~~(4) The employer and health insurer providing the employer~~
11 ~~health insurance coverage are willing to meet the reporting obligations under~~
12 ~~§ 23-61-1004(g)(2).~~

13 ~~(b) The Department of Human Services may pay premiums and supplemental~~
14 ~~cost sharing reductions for employer health insurance coverage meeting the~~
15 ~~standards in subsection (a) of this section.~~

16 ~~(c) The Department of Human Services, in coordination with the State~~
17 ~~Insurance Department and the Arkansas Health Insurance Marketplace, shall~~
18 ~~explore and seek any necessary waivers or other authority necessary to:~~

19 ~~(1) Offer incentives for employers of program participants who~~
20 ~~enroll in employer health insurance coverage; and~~

21 ~~(2) Expand opportunities for eligible individuals to obtain~~
22 ~~employer health insurance coverage providing coverage through:~~

23 ~~(A) The fully insured large group insurance market; or~~

24 ~~(B) Employers with self-funded insurance plans.~~

25 ~~(d) The Department of Human Services, in coordination with the State~~
26 ~~Insurance Department and the Arkansas Health Insurance Marketplace, shall~~
27 ~~develop methods to ensure the continuation of health insurance coverage for a~~
28 ~~program participant with employer health insurance coverage if the program~~
29 ~~participant:~~

30 ~~(1) Loses employment with an employer who is offering the~~
31 ~~employer health insurance coverage; or~~

32 ~~(2) Switches employment to a different employer who does not~~
33 ~~offer employer health insurance coverage that meets the standards in~~
34 ~~subsection (a) of this section.~~

35 ~~(e) This subchapter does not:~~

36 ~~(1) Modify the authority of the Department of Human Services to~~

~~enroll eligible individuals who are not program participants in employer health insurance coverage where cost effective;~~

~~(2) Preclude the state from exploring the expanded utility and functionality of the state administered small business health options program created by the Arkansas Health Insurance Marketplace Act, § 23-61-801 et seq.; or~~

~~(3) Exempt any plans offered in the small group insurance market, large group insurance market, or individual insurance market from complying with state and federal requirements regarding medical loss ratio.~~

~~(c) On or before January 1, 2017, the State Insurance Department, the Department of Human Services, and other necessary state agencies may implement the applicable provisions of this section through certification requirements or rule, or both.~~

~~23-61-1009. Sunset.~~

~~This subchapter shall expire on December 31, 2021.~~

~~SECTION 2. Arkansas Code § 20-77-2408 is amended to read as follows:
20-77-2408. Effective Date.~~

~~This subchapter shall be in effect until June 30, 2017, unless amended or extended by the General Assembly December 31, 2016, upon which date the Health Care Independence Program established by the Health Care Independence Act of 2013, § 20-77-2401 et seq., shall terminate, provided however that the Department of Human Services shall cease collection of contributions to independence accounts no later than July 1, 2016.~~

~~SECTION 3. Arkansas Code § 23-61-805(b), concerning an offset of an assessment fee within the Arkansas Health Insurance Marketplace, is repealed.~~

~~(b)(1) An assessment may be offset in an amount equal to the amount of the assessment paid to the Arkansas Health Insurance Marketplace against the premium tax payable for the year in which the assessment is levied.~~

~~(2) An offset shall not be allowed for a penalty assessed under subsection (c) of this section.~~

~~SECTION 4. Arkansas Code § 26-57-604(a)(1)(B)(ii), concerning the allowance of a credit to be applied against the insurance premium tax, is~~

1 amended to read as follows:

2 ~~(ii) However, the credit shall not be applied as an~~
 3 ~~offset against the premium tax on collections resulting from an eligible~~
 4 ~~individual insured under the Health Care Independence Act of 2013, § 20-77-~~
 5 ~~2401 et seq., or the Arkansas Health Insurance Marketplace Act, § 23-61-801~~
 6 ~~et seq., the Arkansas Works Act of 2016, § 23-61-1001 et seq., the Arkansas~~
 7 ~~Health Insurance Marketplace Act, § 23-61-801 et seq., or individual~~
 8 ~~qualified health insurance plans, including without limitation stand-alone~~
 9 ~~dental plans, issued through the health insurance marketplace as defined by §~~
 10 ~~23-61-1003.~~

11
 12 SECTION 5. ~~Arkansas Code § 26-57-610(b)(2), concerning the disposition~~
 13 ~~of the insurance premium tax, is amended to read as follows:~~

14 ~~(2) The taxes based on premiums collected under the Health Care~~
 15 ~~Independence Act of 2013, § 20-77-2401 et seq., and the Arkansas Health~~
 16 ~~Insurance Marketplace Act, § 23-61-801 et seq. the Arkansas Works Act of~~
 17 ~~2016, § 23-61-1001 et seq., the Arkansas Health Insurance Marketplace Act, §~~
 18 ~~23-61-801 et seq., or individual qualified health insurance plans, including~~
 19 ~~without limitation stand-alone dental plans, issued through the health~~
 20 ~~insurance marketplace as defined by § 23-61-1003 shall be:~~

21 ~~(A) At the time of deposit, separately certified by the~~
 22 ~~commissioner to the Treasurer of State for classification and distribution~~
 23 ~~under this section; and~~

24 ~~(B)(i) Transferred On or before December 31, 2016,~~
 25 ~~transferred to the Health Care Independence Program Trust Fund and used as~~
 26 ~~provided by § 19-5-1141; and~~

27 ~~(ii) On and after January 1, 2017, transferred to~~
 28 ~~the Arkansas Works Program Trust Fund and used as required by the Arkansas~~
 29 ~~Works Program Trust Fund;~~

30
 31 SECTION 6. ~~Arkansas Code Title 19, Chapter 5, Subchapter 11, is~~
 32 ~~amended to add an additional section to read as follows:~~

33 ~~19-5-1146. Arkansas Works Program Trust Fund.~~

34 ~~(a) There is created on the books of the Treasurer of State, the~~
 35 ~~Auditor of State, and the Chief Fiscal Officer of the State a trust fund to~~
 36 ~~be known as the "Arkansas Works Program Trust Fund".~~

1 ~~(b) The fund shall consist of:~~

2 ~~(1) Moneys saved and accrued under the Arkansas Works Act of~~
3 ~~2016, § 23-61-1001 et seq., including without limitation:~~

4 ~~(A) Increases in premium tax collections; and~~

5 ~~(B) Other spending reductions resulting from the Arkansas~~
6 ~~Works Act of 2016, § 23-61-1001 et seq.; and~~

7 ~~(2) Other revenues and funds authorized by law.~~

8 ~~(c) The Department of Human Services shall use the fund to pay for~~
9 ~~future obligations under the Arkansas Works Program created by the Arkansas~~
10 ~~Works Act of 2016, § 23-61-1001 et seq.~~

11
12 SECTION 7. ~~Arkansas Code § 19-5-1141, concerning the Health Care~~
13 ~~Independence Program Trust Fund, is amended to add an additional subsection~~
14 ~~to read as follows:~~

15 ~~(d)(1) The Health Care Independence Program Trust Fund expires on~~
16 ~~January 1, 2017.~~

17 ~~(2) Any balance in the Health Care Independence Program Trust~~
18 ~~Fund on January 1, 2017, shall be transferred by the Chief Fiscal Officer of~~
19 ~~the State on his or her books and the books of the Treasurer of State and the~~
20 ~~Auditor of the State to the Arkansas Works Program Trust Fund.~~

21
22 SECTION 8. ~~EFFECTIVE DATE.~~

23 ~~Section 3 and Section 4 of this act are effective on and after January~~
24 ~~1, 2017.~~

25
26 SECTION 9. ~~EMERGENCY CLAUSE.~~ ~~It is found and determined by the~~
27 ~~General Assembly of the State of Arkansas that the federal laws established~~
28 ~~by Pub. L. No. 111-148, have caused disruptive challenges to the State of~~
29 ~~Arkansas in the health insurance industry and the medical assistance~~
30 ~~industry; that the Arkansas Works Program utilizes the private insurance~~
31 ~~market to improve access to health insurance, enhances quality of health~~
32 ~~insurance, and reduces health insurance and medical assistance costs; that~~
33 ~~the Arkansas Works Program requires private insurance companies and employers~~
34 ~~to create, present, implement, and market a new type of health insurance~~
35 ~~policy; and that this act is immediately necessary because the private~~
36 ~~insurance companies and employers need certainty about the law creating the~~

1 ~~Arkansas Works Program before fully investing time, funds, personnel, and~~
2 ~~other resources into the development of new health insurance policies.~~
3 ~~Therefore, an emergency is declared to exist, and this act being immediately~~
4 ~~necessary for the preservation of the public peace, health, and safety shall~~
5 ~~become effective on:~~

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

7 ~~(2) If the bill is neither approved nor vetoed by the Governor,~~
8 ~~the expiration of the period of time during which the Governor may veto the~~
9 ~~bill; or~~

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

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