

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4

# A Bill

HOUSE BILL 1929

5 By: Representatives Miller, McCollum  
6

## For An Act To Be Entitled

8 AN ACT TO CREATE THE MEDICAID EXPANSION EFFICIENCY  
9 ACT OF 2019; TO MAINTAIN EFFICIENCY AND REIMBURSEMENT  
10 FAIRNESS IN THE ARKANSAS MEDICAID PROGRAM BY  
11 DISCONTINUING THE USE OF QUALIFIED HEALTH BENEFIT  
12 PLANS OR PRIVATE INSURANCE PLANS FOR THE MEDICAID  
13 EXPANSION POPULATION; TO SHIFT THE CURRENT MEDICAID  
14 EXPANSION POPULATION INTO THE FEE-FOR-SERVICE  
15 ARKANSAS MEDICAID PROGRAM; TO STUDY INCREASING  
16 REIMBURSEMENT RATES FOR THE ARKANSAS MEDICAID  
17 PROGRAM; TO ESTABLISH THE MEDICAID EXPANSION  
18 EFFICIENCY TASK FORCE; TO DECLARE AN EMERGENCY; AND  
19 FOR OTHER PURPOSES.  
20  
21

## Subtitle

22 TO CREATE THE MEDICAID EXPANSION  
23 EFFICIENCY ACT OF 2019; AND TO DECLARE AN  
24 EMERGENCY.  
25  
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27

28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
29

30 SECTION 1. DO NOT CODIFY. Title.

31 This act shall be known and may be cited as the "Medicaid Expansion  
32 Efficiency Act of 2019".  
33

34 SECTION 2. TEMPORARY LANGUAGE. DO NOT CODIFY. Medicaid Expansion  
35 Efficiency Task Force – Creation – Membership – Duties.

36 (a) There is created the Medicaid Expansion Efficiency Task Force.



1           (b)(1) The task force shall consist of the following members:

2                   (A) Five (5) members of the House of Representatives  
3 appointed by the Speaker of the House of Representatives;

4                   (B) Five (5) members of the Senate appointed by the  
5 President Pro Tempore of the Senate; and

6                   (C) A representative of each type of Medicaid provider  
7 appointed by the Governor, including without limitation:

8                           (i) Behavioral health services providers;

9                           (ii) Community-based services providers;

10                          (iii) Home healthcare service providers;

11                          (iv) Primary care providers; and

12                          (v) Hospitals.

13                   (2) If a vacancy occurs on the task force, the vacancy shall be  
14 filled by the same process as the original appointment.

15                   (3) Legislative members of the task force shall be paid per diem  
16 and mileage as authorized by law for attendance at meetings of interim  
17 committees of the General Assembly.

18                   (4) Nonlegislative members shall not receive reimbursement for  
19 mileage or per diem for attendance at meetings.

20                   (c)(1) The President Pro Tempore of the Senate shall designate one (1)  
21 member of the task force to call the first meeting of the task force within  
22 thirty (30) days of the effective date of this act and to serve as a chair of  
23 the task force for the first meeting.

24                   (2) At the first meeting of the task force, the members of the  
25 task force shall elect from its membership a chair and other officers as  
26 needed for the transaction of its business.

27                   (3)(A) The task force shall conduct its meetings in Pulaski  
28 County at the State Capitol or another site with teleconferencing  
29 capabilities.

30                   (B) Meetings of the task force shall be held at least one  
31 (1) time every two (2) months but may occur more often at the call of the  
32 chair.

33                   (4) The task force shall establish rules and procedures for  
34 conducting its business at the first meeting.

35                   (5)(A) A majority of the members of the task force shall  
36 constitute a quorum for transacting business of the task force.

1                   (B) An affirmative vote of a majority of a quorum present  
 2 shall be required for the passage of a motion or other task force action.

3                   (6) The Bureau of Legislative Research shall provide staff for  
 4 the task force.

5                   (d) The task force shall:

6                   (1) Identify savings created as a result of this act;

7                   (2) Examine savings associated with this act; and

8                   (3) Determine methods to implement the savings to enhance  
 9 Medicaid reimbursement rates and improve access to quality of care in the  
 10 Arkansas Medicaid Program.

11                  (e)(1) On or before December 1, 2019, the task force shall issue a  
 12 report to the Legislative Council before the convening of the 2020 fiscal  
 13 session.

14                  (2) The report shall contain final recommendations on how to  
 15 implement the savings associated with this act.

16                  (f) The task force shall expire on December 31, 2019.

17  
 18                  SECTION 3. Arkansas Code Title 20, Chapter 77, Subchapter 1, is  
 19 amended to add an additional section to read as follows:

20                  20-77-135. Legislative findings and intent – Coverage for Medicaid  
 21 Expansion.

22                  (a) The General Assembly finds that:

23                  (1) Hundreds of thousands of residents of Arkansas rely on the  
 24 Arkansas Medicaid Program for healthcare coverage;

25                  (2) The state has an obligation to preserve as many tax dollars  
 26 as possible to care for needy residents of Arkansas while ensuring  
 27 appropriate access and quality of care; and

28                  (3) Individual premium assistance for individuals who are in the  
 29 eligibility category created by section 1902(a)(10)(A)(i)(VIII) of the Social  
 30 Security Act, 42 U.S.C. § 1396a is not cost-efficient.

31                  (b) It is the intent of the General Assembly to:

32                  (1) End premium assistance for individuals who are in the  
 33 eligibility category created by section 1902(a)(10)(A)(i)(VIII) of the Social  
 34 Security Act, 42 U.S.C. § 1396a; and

35                  (2) Create a task force to identify the savings associated with  
 36 this section and determine methods to implement the savings to enhance

1 Medicaid reimbursement rates.

2 (c)(1) The Department of Human Services shall provide medical  
3 assistance for individuals in the eligibility category created by section  
4 1902(a)(10)(A)(i)(VIII) of the Social Security Act, 42 U.S.C. § 1396a, that  
5 are currently authorized to receive coverage under a federal demonstration  
6 waiver, through the traditional fee-for-service Arkansas Medicaid Program.

7 (2) However, the Arkansas Medicaid Program shall not pay  
8 individual premium assistance for qualified health benefit plans on the  
9 Arkansas Health Insurance Marketplace.

10 (3) The Department of Human Services shall ensure that an  
11 eligible individual shall maintain coverage during the process to implement  
12 the plan to terminate the coverage and the transition of eligible individuals  
13 to the fee-for-service Arkansas Medicaid Program.

14 (d) On or before July 1, 2020, the Department of Human Services shall:

15 (1) Submit and apply for any federal waivers, Medicaid state  
16 plan amendments, federal waiver amendments, or other authority necessary to  
17 implement this section; and

18 (2) Transfer all funds in the Arkansas Works Program Trust Fund  
19 to the Arkansas Medicaid Program Trust Fund.

20 (e) Within thirty (30) days of a reduction in federal medical  
21 assistance percentages as described in this section, the Department of Human  
22 Services shall present to the Centers for Medicare and Medicaid Services a  
23 plan to terminate the coverage of individuals under this section and  
24 transition eligible individuals out of the fee-for-service Arkansas Medicaid  
25 Program within one hundred twenty (120) days of a reduction in any of the  
26 following federal medical assistance percentages:

27 (1) Ninety-three percent (93%) in the year 2019; and

28 (2) Ninety percent (90%) in the year 2020 or any year after the  
29 year 2020.

30 (f)(1) The Department of Human Services shall transfer all persons  
31 enrolled in the Arkansas Works Program or any person enrolled in the Arkansas  
32 Works Program to coverage under the traditional fee-for-service Arkansas  
33 Medicaid Program on and after July 1, 2020.

34 (2) The Department of Human Services shall not prohibit new  
35 enrollees in the Arkansas Works Program on and after the effective date of  
36 this section.

1           (3) This section does not prohibit the payment of expenses  
 2 incurred before July 1, 2020, by person participating in the Arkansas Works  
 3 Program.

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

8           (h)(1) The Department of Human Services, in coordination with the  
 9 State Insurance Department, shall promulgate rules as necessary under this  
 10 section.

11           (2)(A) When adopting the initial rules to implement this  
 12 section, the final rule shall be filed with the Secretary of State for  
 13 adoption under § 25-15-204(f):

14                           (i) On or before January 1, 2020; or

15                           (ii) If approval under § 10-3-309 has not occurred  
 16 by January 1, 2020, as soon as practicable after approval under § 10-3-309.

17           (B) The Department of Human Services shall file the  
 18 proposed rule with the Legislative Council under § 10-3-309(c) sufficiently  
 19 in advance of January 1, 2020, so that the Legislative Council may consider  
 20 the rule for approval before January 1, 2020.

21  
 22           SECTION 4. Arkansas Code Title 23, Chapter 61, Subchapter 10, is  
 23 repealed.

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

25  
 26           ~~23-61-1001. Title.~~

27           ~~This subchapter shall be known and may be cited as the “Arkansas Works~~  
 28 ~~Act of 2016”.~~

29  
 30           ~~23-61-1002. Legislative intent.~~

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

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

36                           ~~(2) Builds on private insurance market competition and value-~~

1 based insurance purchasing models;

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

4 (4) ~~Achieves comprehensive and innovative healthcare reform that~~  
 5 ~~reduces state and federal obligations for entitlement spending.~~

6  
 7 ~~23-61-1003. Definitions.~~

8 ~~As used in this subchapter:~~

9 (1) ~~“Cost-effective” means that the cost of covering employees~~  
 10 ~~who are:~~

11 (A) ~~Program participants, either individually or together~~  
 12 ~~within an employer health insurance coverage, is the same or less than the~~  
 13 ~~cost of providing comparable coverage through individual qualified health~~  
 14 ~~insurance plans; or~~

15 (B) ~~Eligible individuals who are not program participants,~~  
 16 ~~either individually or together within an employer health insurance coverage,~~  
 17 ~~is the same or less than the cost of providing comparable coverage through a~~  
 18 ~~program authorized under Title XIX of the Social Security Act, 42 U.S.C. §~~  
 19 ~~1396 et seq., as it existed on January 1, 2016;~~

20 (2) ~~“Cost sharing” means the portion of the cost of a covered~~  
 21 ~~medical service that is required to be paid by or on behalf of an eligible~~  
 22 ~~individual;~~

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

26 (4) ~~“Employer health insurance coverage” means a health~~  
 27 ~~insurance benefit plan offered by an employer or, as authorized by this~~  
 28 ~~subchapter, an employer self-funded insurance plan governed by the Employee~~  
 29 ~~Retirement Income Security Act of 1974, Pub. L. No. 93-406, as amended;~~

30 (5) ~~“Health insurance benefit plan” means a policy, contract,~~  
 31 ~~certificate, or agreement offered or issued by a health insurer to provide,~~  
 32 ~~deliver, arrange for, pay for, or reimburse any of the costs of healthcare~~  
 33 ~~services, but not including excepted benefits as defined under 42 U.S.C. §~~  
 34 ~~300gg-91(c), as it existed on January 1, 2016;~~

35 (6) ~~“Health insurance marketplace” means the applicable entities~~  
 36 ~~that were designed to help individuals, families, and businesses in Arkansas~~

1 ~~shop for and select health insurance benefit plans in a way that permits~~  
 2 ~~comparison of available plans based upon price, benefits, services, and~~  
 3 ~~quality, and refers to either:~~

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

7 ~~(B) The federal health insurance marketplace or federal~~  
 8 ~~health benefit exchange created under the Patient Protection and Affordable~~  
 9 ~~Care Act, Pub. L. No. 111-148;~~

10 ~~(7) "Health insurer" means an insurer authorized by the State~~  
 11 ~~Insurance Department to provide health insurance or a health insurance~~  
 12 ~~benefit plan in the State of Arkansas, including without limitation:~~

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

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

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

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

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

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

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

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

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

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

29 ~~(A) Is at least nineteen (19) years of age and no more~~  
 30 ~~than sixty four (64) years of age with an income that meets the income~~  
 31 ~~eligibility standards established by rule of the Department of Human~~  
 32 ~~Services;~~

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

36 ~~(C) Is not eligible for Medicare or advanced premium tax~~

1 ~~credits through the health insurance marketplace; and~~

2 ~~(D) Is not determined to be more effectively covered~~  
 3 ~~through the traditional Arkansas Medicaid Program, including without~~  
 4 ~~limitation;~~

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

6 ~~(ii) An individual who has exceptional medical needs~~  
 7 ~~for whom coverage offered through the health insurance marketplace is~~  
 8 ~~determined to be impractical, overly complex, or would undermine continuity~~  
 9 ~~or effectiveness of care; and~~

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

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

16  
 17 ~~23-61-1004. Administration of Arkansas Works Program.~~

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

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

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

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

26 ~~(D) Offer incentive benefits to promote personal~~  
 27 ~~responsibility; and~~

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

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

33 ~~(b) Health insurance benefits under this subchapter shall be provided~~  
 34 ~~through:~~

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



1 and

2 ~~(2) Supplemental benefits to incentivize personal~~  
 3 ~~responsibility.~~

4 ~~(c) The Department of Human Services, the State Insurance Department,~~  
 5 ~~the Department of Workforce Services, and other necessary state agencies~~  
 6 ~~shall promulgate and administer rules to implement the Arkansas Works~~  
 7 ~~Program.~~

8 ~~(d)(1) Within thirty (30) days of a reduction in federal medical~~  
 9 ~~assistance percentages as described in this section, the Department of Human~~  
 10 ~~Services shall present to the Centers for Medicare and Medicaid Services a~~  
 11 ~~plan to terminate the Arkansas Works Program and transition eligible~~  
 12 ~~individuals out of the Arkansas Works Program within one hundred twenty (120)~~  
 13 ~~days of a reduction in any of the following federal medical assistance~~  
 14 ~~percentages:~~

- 15 ~~(A) Ninety five percent (95%) in the year 2017;~~
- 16 ~~(B) Ninety four percent (94%) in the year 2018;~~
- 17 ~~(C) Ninety three percent (93%) in the year 2019; and~~
- 18 ~~(D) Ninety percent (90%) in the year 2020 or any year~~  
 19 ~~after the year 2020.~~

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

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

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

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

- 34 ~~(A) Eligibility and enrollment;~~
- 35 ~~(B) Utilization;~~
- 36 ~~(C) Premium and cost-sharing reduction costs;~~

- ~~(D) Health insurer participation and competition;~~
- ~~(E) Avoided uncompensated care; and~~
- ~~(F) Participation in job training and job search programs.~~

~~(2)(A) A health insurer who is providing an individual qualified health insurance plan or employer health insurance coverage for an eligible individual shall submit claims and enrollment data to the State Insurance 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.~~

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

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

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

7           ~~(2) The Department of Human Services or its designee shall~~  
 8 ~~provide work training opportunities, outreach, and education about work and~~  
 9 ~~work training opportunities through the Department of Workforce Services to~~  
 10 ~~all eligible individuals regardless of income at the time of an eligibility~~  
 11 ~~determination.~~

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

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

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

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

18  
 19           ~~23-61-1006. Requirements for program participants.~~

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

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

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

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

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

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

35  
 36           ~~23-61-1007. Insurance standards for individual qualified health~~

1 ~~insurance plans.~~

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

7 ~~(b) The Department of Human Services shall pay premiums and~~  
8 ~~supplemental cost sharing reductions directly to a health insurer for a~~  
9 ~~program participant enrolled in an individual qualified health insurance~~  
10 ~~plan.~~

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

13 ~~(1)(A) Offer individual qualified health insurance plans~~  
14 ~~conforming to the requirements of this section and applicable insurance~~  
15 ~~rules.~~

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

18 ~~(2) Maintain a medical loss ratio of at least eighty percent~~  
19 ~~(80%) for an individual qualified health insurance plan as required under 45~~  
20 ~~G.F.R. § 158.210(c), as it existed on January 1, 2016, or rebate the~~  
21 ~~difference to the Department of Human Services for program participants.~~

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

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

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

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

32 ~~(3) Supplying clinical performance data to patient-centered~~  
33 ~~medical homes, including data to enable patient-centered medical homes to~~  
34 ~~assess the relative cost and quality of healthcare providers to whom patient-~~  
35 ~~centered medical homes refer patients.~~

36 ~~(f) On or before January 1, 2017, the State Insurance Department and~~

~~the Department of Human Services may implement through certification requirements or rule, or both, the applicable provisions of this section.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6           ~~(c) This subchapter does not:~~

7           ~~(1) Modify the authority of the Department of Human Services to~~  
 8 ~~enroll eligible individuals who are not program participants in employer~~  
 9 ~~health insurance coverage where cost-effective;~~

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

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

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

21           ~~(g)(1) This section shall expire on December 31, 2017.~~

22           ~~(2) The Arkansas Code Revision Commission shall remove this~~  
 23 ~~section from the Arkansas Code after December 31, 2017.~~

24  
 25           ~~23-61-1009. Sunset.~~

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

27  
 28           SECTION 5. Arkansas Code § 19-5-1146 is repealed.

29           ~~19-5-1146. Arkansas Works Program Trust Fund.~~

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

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

34           ~~(1) Moneys saved and accrued under the Arkansas Works Act of~~  
 35 ~~2016, § 23-61-1001 et seq., including without limitation:~~

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

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

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

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

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 8                   SECTION 6. Arkansas Code § 23-61-803(h), as amended by Acts 2019, No.  
 9 107, concerning the creation of the Arkansas Health Insurance Marketplace, is  
 10 amended to read as follows:

11                   (h) The State Insurance Department and any eligible entity under  
 12 subdivision (e)(1) of this section shall provide claims and other plan and  
 13 enrollment data to the Department of Human Services upon request to+

14                   ~~(1) Facilitate~~ facilitate ~~compliance with reporting requirements~~  
 15 ~~under state and federal law; and~~

16                   ~~(2) Assess the performance of the Arkansas Works Program~~  
 17 ~~established by the Arkansas Works Act of 2016, § 23-61-1001 et seq.,~~  
 18 ~~including without limitation the program's quality, cost, and consumer~~  
 19 ~~access.~~

20  
 21                   SECTION 7. Arkansas Code § 26-57-610(b)(2), concerning the disposition  
 22 of insurance premium taxes, is amended to read as follows:

23                   (2) The taxes based on premiums collected under the Health Care  
 24 Independence Act of 2013, § 20-77-2401 et seq., the Arkansas Works Act of  
 25 2016, § 23-61-1001 et seq., the Arkansas Health Insurance Marketplace Act, §  
 26 23-61-801 et seq., or individual qualified health insurance plans, including  
 27 without limitation stand-alone dental plans, issued through the health  
 28 insurance marketplace as defined by § 23-61-1003 shall be+,

29                   ~~(A) At~~ at ~~the time of deposit, separately certified by the~~  
 30 ~~commissioner to the Treasurer of State for classification and distribution~~  
 31 ~~under this section; and~~

32                   ~~(B)(i) On or before December 31, 2016, transferred to the~~  
 33 ~~Health Care Independence Program Trust Fund and used as provided by § 19-5-~~  
 34 ~~1141.~~

35                   ~~(ii) On and after January 1, 2017, transferred to~~  
 36 ~~the Arkansas Works Program Trust Fund and used as required by the Arkansas~~

1 ~~Works Program Trust Fund;~~

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SECTION 8. Effective date.

Sections 4 - 7 are effective on and after July 1, 2020.

SECTION 9. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that it is the public policy of the State of Arkansas to end individual premium assistance offered under the Arkansas Works Program; that an urgent need exists to transfer the individuals enrolled in the Arkansas Works Program into the fee-for-service Arkansas Medicaid Program; that to ensure efficient use of taxpayer dollars and continued healthcare coverage for the state's most vulnerable citizens, it is immediately necessary to transfer individuals enrolled in the Arkansas Works Program into the fee-for-service Arkansas Medicaid Program; and that this act is immediately necessary to initiate reforms to the Medicaid Expansion population. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

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

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

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