

State (and Federal) Legislative Update

August 25, 2022



Membership

SENATE – SENATOR HICKEY

- 88,000 Arkansans
- 7 Women / 28 Men
- 27 R / 7 D / 1 Independent
- 4 Freshmen
- 3 Term Limited
 - Bledsoe, Teague, Elliott

HOUSE – REPRESENTATIVE SHEPHERD

- 30,000 Arkansans
- 25 Women / 75 Men
- 76 R / 24 D
- 22 Freshmen / 11 Fifth Term

Session Statistics



- Through April 28
 - Regular Bills: 1,675
 - Resolutions: 181
 - Acts: 1,112
- Through October 15
 - 983 House
 - 744 Senate
 - 1,727 (without resolutions)
- TOTAL ACTS: 1,727



PRIORITY 1: Medicaid Expansion (Act 530)

- Arkansas Health and Opportunity for Me
 - AR HOME
- Qualified Health Plans
- NOT YET APPROVED
 - Rural HOMEs
 - Maternity HOMEs
 - Success HOMEs
- June '21 – public comment
- Submit waiver
- August '21- QHP rates
- October '21 – CMS approval
- January 1, '22 – START



Medicaid Funding – Soft Drink Tax



- Soft Drink Tax – Special Session of 1992
- 1992 – hospital Medicaid outpatient rates CUT
- 1994 – ballot measure
 - 2/3 to overturn
- \$40 million
 - FMAP Matched (\$130+m)



No Patient Left Alone (Act 311)

- Effective March 10, 2021
- Medicare Conditions of Participation
 - Infection Control
 - Visitation
- Duty to Patient
- Public Relations



COVID Public Health Authority Limits



- Act 1002 (April 28, 2021)
 - Government mask mandates
- Act 697
 - CLEAR face mask
- Act 977 (April 28, 2021)
 - COVID vax mandates
- Act 1030
 - Vaccine Passports



Executive Orders Codified

- Immunity for Healthcare Workers
 - Act 510 (April 1, 2021)
- Worker's Compensation
 - Business Liability Protections
 - Act 559 (April 5, 2021)
 - Workplace Acquired Infection
 - Act 353 (March 15, 2021)
- Telemedicine
 - Act 829 (April 21, 2021)



Scope of Practice



- CRNA Supervision
 - Act 449
- APN Full Practice Board
 - Act 412
- PCPs for Medicaid
 - Act 569
- Pharmacists Prescribe Vax
 - Act 406
- Certified Nurse Midwives
 - Act 607



Criminal Investigation Assistance

- Blood sample taken (Act 990)
 - by non-physician
 - Consent
 - Warrant or court order
 - Physician or nurse
 - Exigent circumstances
- Healthcare providers can make samples available to coroner-issued subpoenas (Act 708)
 - Antemortem blood
 - Urine
 - Other biological fluids
 - Other toxicological samples



Education and Licensure

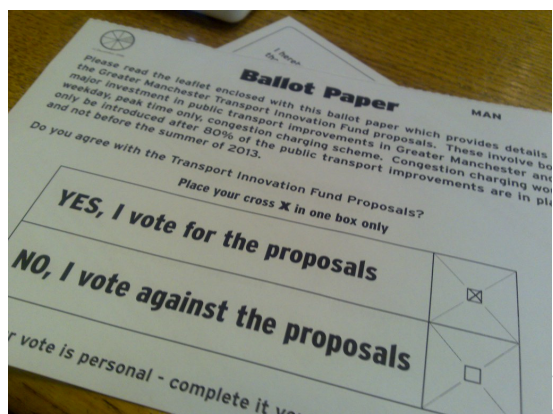


- Multiyear license or registration by Medical Board (Act 803)
- LPN and MA education provided by post-secondary institution, hospital, SNF consortium (Act 759)
- PA representative on Medical Board (Act 634)



Ballot Referrals

- 60% approval to refer future Constitutional Amendments (HJR 1005)
- Religious Freedom (SJR 14)
- Legislature calls Special Sessions (SJR 10)



ARKANSAS HOSPITAL ASSOCIATION

Extended Session

- REDISTRICTING



- Act 1115 – employers that mandate COVID vaccines must offer alternatives

- Weekly testing
- Positive antibody test



School Masking/Unemployment Special Session (Aug. 4 – Aug. 6, 2021)





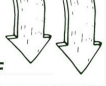



- School board decides



- Unemployment benefits (federal) refused



Tax Special Session (Dec. 7 – Dec. 10, 2021)

TAX LEGISLATION TAKING EFFECT JANUARY 1, 2022		
ACT 1 & ACT 2 (2 ND EXTRAORDINARY SESSION) REDUCES THE TOP INCOME TAX RATE FROM 5.9% TO 5.5% FOR 2022. 	 ACT 376 REDUCES THE ADDITIONAL REGISTRATION FEE FOR A HYBRID VEHICLE TO \$50.00. 	ACT 362 CREATES THE ELECTIVE PASS-THROUGH ENTITY TAX ACT. 
ACT 1013 REDUCES SALES & USE TAX RATE FOR SALES OF USED MOTOR VEHICLES THAT HAVE A SALES PRICE OF AT LEAST \$4,000 BUT LESS THAN \$10,000 TO 3.5%. 	ACT 841 CREATES AN INCOME TAX CREDIT FOR RETIRED LAW ENFORCEMENT OFFICERS WHO WORK ON BEHALF OF THE DIVISION OF ARKANSAS STATE POLICE TO INVESTIGATE COLD CASES. 	 

Fiscal Session 2022 (Feb. 14 – Mar. 15, 2022)

- Act 213 (SB 54) – Appropriation for Medical Services
 - House: 91 Y / 3 N / 6 not voting
 - Senate: 31 Y / 0 N / 3 absent



Special Session (Aug. 9 – Aug. 11, 2022)



• \$ 1,630,000,000 SURPLUS

- Education
- Tax Cuts

- \$1.378 b – allotment reserve fund
- \$250 m – other
- \$150 m – restricted reserve
 - \$50 m – law enforcement officers' stipend grant fund
 - \$50 m – state highway and transportation fund (federal match)
- FY 2022 – GR was \$7.47 b
- RSA 2021 - \$5.84 b (ended 6/30/22)
- RSA 2022 - \$6.02 b (ends 6/30/2023)



Income Tax (HB 1002 and SB 1)

Income Tax

- These provisions will accelerate the implementation of cutting the State's top individual income tax rate from 5.5% to 4.9% retroactive to Jan. 1, 2022.
 - The State's top individual income tax rate is scheduled to be cut to 5.3% on Jan. 1, 2023, to 5.1% on Jan. 1, 2024, and to 4.9% on Jan. 1, 2025, under current state law (from the Second Extraordinary Session).
- Another measure will accelerate the reduction in the state's top corporate income tax rate to 5.3% on Jan. 1, 2023.
 - Arkansas' top corporate income tax rate of 6.2% dropped to 5.9% on Jan. 1, 2022. The rate is scheduled to drop to 5.7% on Jan. 1, 2023, to 5.5% on Jan. 1, 2024, and to 5.3% on Jan. 1, 2025, under current state law.
- Finally, there will be a temporary nonrefundable income tax credit of \$150 for individual taxpayers with net income up to \$87,000 — with a phase out of the credit for filers having net income of up to \$101,000 for tax year 2022 — and of \$300 for married taxpayers filing jointly with net income up to \$174,000 — with a phase out of the credit for filers having net income up to \$202,000 for tax year 2022. These taxpayers will be required to be full-time residents of Arkansas to receive the tax credit.

Section 179 Depreciation

- This law will adopt the 2022 federal Section 179 depreciation schedule as it existed Jan. 1, 2022, which provides an income tax reduction for the expensing of certain property.
- The federal Section 179 depreciation schedule allows businesses to deduct the entire purchase price of new or used equipment up to \$1.08 million in 2022, rather than capitalizing and depreciating the asset over the designated useful life of the asset. The \$1.08 million deduction is reduced dollar-for-dollar as asset purchases exceed \$2.7 million for 2022.



School Safety Grants



- \$50 million to the Department of Education for school safety grants
- FY 2022-2023
- Arkansas Legislative Council will set the details of distribution



Primary and General Judicial Elections (May 24, 2022 – runoff June 21, 2022)

• HOUSE

- 43/100 are settled (33 R/10 D)
- 57 will be elected
November 8, 2022
 - 23/57 are R v D races
 - 12/57 are R v D v L
 - 16/57 are R v L
 - 3/57 are D v L
 - 3/57 are R v I

- **Medicaid Expansion requires 75/100**

• SENATE

- 14/35 are settled (12 R/2 D)
- 21 will be elected
November 8, 2022
 - 11/21 are R v D races
 - 2/21 are R v D v L
 - 5/21 are R v L
 - 2/21 are D v L
 - 1/21 is R v I

- **Medicaid Expansion requires 27/35**



General Election – November 8, 2022

- Governor
 - Sarah Sanders (R)
 - Chris Jones (D)
 - Ricky Dale Harrington (L)
 - Elvis Presley (WI)
 - Dan Nelson (WI)
 - Michael Woodard (WI)
 - Jason Tate (WI)
- Lt. Governor
 - Leslie Rutledge (R)
 - Kelly Krout (D)
 - Frank Gilbert (L)
- Attorney General
 - Tim Griffin (R)
 - Jesse Gibson (D)
 - Gerhard Langguth (WI)



Congressional Candidates

- United States Senate
 - Senator John Boozman (R)
 - Natalie James (D)
 - Kenneth Cates (L)
 - Stuart Shirrell (I)
 - James Garner (WI)
 - Richard "Nap" Grant (WI)



Congressional Candidates

- 1st District
 - Congressman Rick Crawford (R)
 - Monte Hodges (D)
 - Roger Daugherty (I)
- 2nd District
 - Congressman French Hill (R)
 - Quintessa Hathaway (D)
 - Michael White (L)
- 3rd District
 - Congressman Steve Womack (R)
 - Lauren Mallett-Hays (D)
 - Michael Kalagias (L)
- 4th District
 - Congressman Bruce Westerman (R)
 - John White (D)
 - Gregory Maxwell (L)



Regular Session – January 9, 2023

- Prefiling Bills - Nov. 15, 2022
- Budget Hearings - Oct. 11 – Nov. 10, 2022
- Executive Balanced Budget Proposal – no later than Nov. 10, 2022
- Scope of Practice studies – no later than Dec. 9, 2022
- Last day to file Scope of Practice bills – Jan. 23, 2023
- Constitutional Amendments – Feb. 8, 2023
- Appropriation Bills – Feb. 27, 2023



Hospital Legislation - 2023



- Council on Government Relations
- AHA Board of Directors
 - Medicaid Expansion
 - WORKFORCE
 - WORKFORCE
 - WORKFORCE
 - Defense



Questions?

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