

Stricken language would be deleted from and underlined language would be added to present law.
Act 689 of the Regular Session

State of Arkansas *As Engrossed: S2/25/15 H3/12/15 H3/16/15*
90th General Assembly
Regular Session, 2015

A Bill

SENATE BILL 487

By: Senators Rapert, Caldwell, J. Hutchinson, Maloch, G. Stubblefield, *J. Hendren*
By: Representatives D. Douglas, Broadaway, Eubanks, D. Ferguson, Jett, Vaught

For An Act To Be Entitled

AN ACT TO MODIFY THE DEFINITION OF A THIRD-PARTY
ADMINISTRATOR USED BY MULTIPLE EMPLOYER TRUSTS AND
SELF-INSURED PLANS; AND FOR OTHER PURPOSES.

Subtitle

TO MODIFY THE DEFINITION OF A THIRD-PARTY
ADMINISTRATOR USED BY MULTIPLE EMPLOYER
TRUSTS AND SELF-INSURED PLANS.

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

SECTION 1. Arkansas Code § 23-92-201 is amended to read as follows:
23-92-201. Definition.

(a) As used in this subchapter, ~~“third party administrator” means any:~~

(1) “Third-party administrator” means a person, firm, or partnership that collects or charges premiums from or adjusts or settles claims on residents of this state in connection with life or accident and health coverage provided by a self-insured plan or a multiple employer trust or multiple employer welfare arrangement;

(2) “Pharmacy benefits manager” means an entity that administers or manages a pharmacy benefits plan or program; and

(3) “Pharmacy benefits plan or program” means a plan or program that pays for, reimburses, covers the cost of, or otherwise provides pharmacist services to individuals who reside in or are employed in this state.

(b) ~~“Third party~~ As used in this subchapter, “third-party



administrator" includes:

(1) An administrative-services-only ~~contracts~~ contract offered by insurers and health maintenance organizations; and

(2) A pharmacy benefits manager that administers or manages a pharmacy benefits plan or program that furnishes, covers the cost of, or otherwise provides for the practice of pharmacy as defined in § 17-92-101 under any life and accident and health coverage provided in this state by a self-insured plan, a multiple employer trust, or a multiple employer welfare arrangement.

(c) ~~but~~ As used in this subchapter, "third-party administrator" does not include the following persons:

(1) An employer, for its employees or for the employees of a subsidiary or affiliated corporation of the employer;

(2) A union, for its members;

(3) An insurer or health maintenance organization licensed to do business in this state;

(4) A creditor, for its debtors, regarding insurance covering a debt between them;

(5) A credit card-issuing company that advances for or collects premiums or charges from its credit card holders as long as that company does not adjust or settle claims;

(6) An individual who adjusts or settles claims in the normal course of his or her practice or employment and who does not collect charges or premiums in connection with life or accident and health coverage; or

(7) An agency licensed by the Insurance Commissioner and performing duties pursuant to an agency contract with an insurer authorized to do business in this state.

SECTION 2. Arkansas Code § 23-92-203, concerning certificates of registration, is amended to add a new subsection to read as follows:

“(g) The provisions in this chapter establishing standards applicable to a third-party administrator under Arkansas Code § 23-92-203(d) or fiduciary standards under Arkansas Code § 23-92-206 do not authorize the Commissioner to regulate the actions of a third-party administrator if the actions are authorized or required under its administration of a self-insured plan or trust, or apply or enforce other insurance code provisions, rules or

other state laws, through such standards, for purposes of revocation or suspension of a third-party administrator's certificate.

SECTION 3. Arkansas Code § 23-92-206, concerning collections of premiums, is amended to add a new subsection to read as follows:

(e) This section does not apply to a third-party administrator as defined in Arkansas Code § 23-92-201(a).

/s/Rapert

APPROVED: 03/25/2015