

Stricken language would be deleted from and underlined language would be added to present law.
Act 902 of the Regular Session

State of Arkansas
90th General Assembly
Regular Session, 2015

As Engrossed: S3/9/15
A Bill

SENATE BILL 701

By: Senator Irvin

For An Act To Be Entitled

*AN ACT TO LIMIT THE USE OF FACTORS THAT ARE NOT UNDER
A PHYSICIAN'S CONTROL IN DETERMINING REIMBURSEMENT IN
ALTERNATIVE PAYMENT SYSTEMS.*

Subtitle

*TO LIMIT FINANCIAL PENALTIES ON
PHYSICIANS IN ALTERNATIVE PAYMENT
SYSTEMS.*

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

SECTION 1. Arkansas Code Title 23, Chapter 99, is amended to add an additional subchapter to read as follows:

Subchapter 9 – Limitation on Financial Penalties In Alternative Payment
Systems

23-99-901. Legislative findings.

The General Assembly finds that:

(1) Under an alternative payment system, a *healthcare payor*, when determining a physician's patient care costs, may use factors that are not under the control of the physician;

(2) A physician may not receive an appropriate share of savings or reduction in recoupment under an alternative payment system if the physician's patients have a higher cost of care; and

(3) A physician should not be penalized for higher patient care costs if any of the costs are not under the control of the physician.



23-99-902. Definitions.

As used in this subchapter:

(1) "Alternative payment system" means a payment methodology used by a healthcare payor that includes a risk-sharing or gain-sharing component for a physician that participates in a plan, program, or network offered by the healthcare payor;

(2) "Gain-sharing payment" means an increase in a payment or additional payments made by a healthcare payor to a physician as a result of patient care costs that fall below cost thresholds of any form;

(3)(A) "Healthcare payor" means an entity that reimburses a physician for the delivery of healthcare services that are covered by the healthcare payor.

(B) "Healthcare payor" does not include a provider-based network or system that utilizes risk-sharing including an accountable care organization or a clinically integrated network; and

(4) "Risk-sharing payment" means a reduction in a payment to or refund of a payment already made to a physician as a result of patient care costs that exceed cost thresholds of any form.

23-99-903. Physician penalties – Limitation.

A healthcare payor doing business in this state, when determining any gain-sharing or risk-sharing for a physician, shall not attribute to a physician any costs that are a result of variations in the healthcare payor's freely negotiated contract pricing with other persons or entities outside the physician's practice if including the costs reduces a physician's gain-sharing amount or increases a physician's risk-sharing amount.

/s/Irvin

APPROVED: 04/01/2015