

State of Arkansas
94th General Assembly
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As Engrossed: H3/8/23 H3/30/23

A Bill

HOUSE BILL 1272

By: Representative L. Johnson

By: Senator Irvin

For An Act To Be Entitled

AN ACT TO AMEND THE HEALTHCARE CONTRACTING
SIMPLIFICATION ACT; TO PROHIBIT A HEALTHCARE INSURER
FROM LEASING A HEALTHCARE CONTRACT OR PROVIDER
NETWORK; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE HEALTHCARE CONTRACTING
SIMPLIFICATION ACT; AND TO PROHIBIT A
HEALTHCARE INSURER FROM LEASING A
HEALTHCARE CONTRACT OR PROVIDER NETWORK.

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

SECTION 1. Arkansas Code § 23-99-1202(4), concerning the definition of "health benefit plan" used under the Healthcare Contracting Simplification Act, is amended to read as follows:

(4)(A) "Health benefit plan" means a plan, policy, contract, certificate, agreement, or other evidence of coverage for healthcare services offered or issued by a healthcare insurer in this state.

(B) "Health benefit plan" includes:

(i) A nonfederal governmental ~~plans~~ plan as defined in 29 U.S.C. § 1002(32), as it existed on ~~January 1, 2019~~ January 1, 2023; and

(ii) A contract for providing benefits for dental care pursuant to:

(a) A healthcare insurance policy or



certificate;

(b) A dental-only plan;

(c) A health maintenance organization provider

contract; or

(d) A managed healthcare plan.

(C) "Health benefit plan" does not include:

(i) A disability income plan;

(ii) A credit insurance plan;

(iii) Insurance coverage issued as a supplement to liability insurance;

(iv) A medical payment under automobile or homeowners insurance plans;

(v) A health benefit plan provided under Arkansas Constitution, Article 5, § 32, the Workers' Compensation Law, § 11-9-101 et seq., or the Public Employee Workers' Compensation Act, § 21-5-601 et seq.;

(vi) A plan that provides only indemnity for hospital confinement;

(vii) An accident-only plan;

(viii) A specified disease plan;

(ix) A long-term care only plan; or

~~(x) A dental-only plan; or~~

~~(xi) A vision-only plan;~~

SECTION 2. Arkansas Code § 23-99-1202(6)(B), concerning the definition of "healthcare insurer" used under the Healthcare Contracting Simplification Act, is amended to read as follows:

(B) "Healthcare insurer" includes:

(i) An insurance company;

(ii) A health maintenance organization;

(iii) A hospital and medical service corporation;

(iv) A risk-based provider organization; ~~and~~

(v) A sponsor of a nonfederal self-funded governmental plan; and

(vi) A dental-only plan;

SECTION 3. Arkansas Code § 23-99-1202(8), concerning the definition of

"healthcare services used under the Healthcare Contracting Simplification Act, is amended to read as follows:

(8)(A) "Healthcare services" means services or goods provided for the purpose of or incidental to the purpose of preventing, diagnosing, treating, alleviating, relieving, curing, or healing human illness, disease, condition, disability, or injury.

(B) "Healthcare services" includes services for the diagnosis, prevention, treatment, or cure of a dental condition, illness, injury, or disease;

SECTION 4. Arkansas Code § 23-99-1202, concerning definitions used under the Healthcare Contracting Simplification Act, is amended to add an additional subdivision to read as follows:

(13) "Affiliate" means an entity that controls, is controlled by, or is under common control with a healthcare insurer.

SECTION 5. Arkansas Code Title 23, Chapter 99, Subchapter 12, is amended to add an additional section to read as follows:

23-99-1210. Healthcare contract or provider network – Prohibition.

(a) A healthcare insurer shall not:

(1) Lease, rent, or sell a healthcare contract or provider network of a health benefit plan to another healthcare insurer or third-party administrator; or

(2) In any manner allow the use of a healthcare contract or provider network of a health benefit plan by another healthcare insurer or third-party administrator.

(b)(1) A violation of this section is:

(A) An unfair trade practice under § 23-66-206; and

(B) Subject to the Trade Practices Act, § 23-66-201 et seq.

(2) If a healthcare contract contains a provision that violates this section, then the provision under the healthcare contract is void.

(c) This section does not apply if a healthcare insurer:

(1) Grants access to the healthcare insurer's provider network contract to another healthcare insurer or entity that is:

(A) An affiliate of the healthcare insurer; or

(B) Operating according to the same brand licensee program as the healthcare insurer; or

(2) Provides notice of the intent to lease, rent, or sell a healthcare contract or provider network of a health benefit plan to another healthcare insurer or third-party administrator;

(3) Allows a healthcare provider that is a party to the healthcare contract or provider network of a health benefit plan the opportunity to opt out of participating in the:

(A) Proposed lease, rental, or sale of a healthcare contract or provider network of a health benefit plan entirely upon the execution or renewal of the healthcare contract; and

(B) Lease, rental, or sale of a healthcare contract with respect to an individual healthcare insurer or third party administrator upon notice that the individual healthcare insurer or third party administrator has violated the terms of the healthcare contract; and

(4) Provides contact information for the healthcare insurer or third-party administrator using the healthcare contract or provider network of a health benefit plan, including without limitation:

(A) Contact name;

(B) Mailing address;

(C) Direct telephone number for customer service matters;

and

(D) Direct email address for customer service matters.

/s/L. Johnson

APPROVED: 4/11/23