

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

SENATE BILL 877

By: Senator J. Woods
By: Representative Neal

For An Act To Be Entitled

AN ACT TO AMEND THE HEALTH BENEFIT PLAN OPTIONS THAT
MAY BE OFFERED BY INSURERS; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE HEALTH BENEFIT PLAN OPTIONS
THAT MAY BE OFFERED BY INSURERS.

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

SECTION 1. Arkansas Code § 23-86-112(a), concerning the direct payment of hospital or medical services under group accident and health insurance plans, is amended to read as follows:

(a) On request by the group policyholder, any group accident and health policy may provide that all or any portion of any indemnities provided by any policy on account of hospital, nursing, medical, or surgical services may be paid, at the insurer's option, directly to the hospital or person rendering such services, ~~but the policy may not require that the service be rendered by a particular hospital or person.~~

SECTION 2. Arkansas Code § 23-86-403, concerning definitions related to the offer of health benefit plans, is amended to add an additional subdivision to read as follows:

(8) "Policyholder" means the employer, association, state, county, or municipal agency contracting with a health maintenance organization or insurance company for a health benefit plan as defined in § 23-86-403(4).



SECTION 3. Arkansas Code § 23-86-404 is amended to read as follows:
23-86-404. Optional health benefit plans.

(a) A health maintenance organization or insurance company may offer and issue health benefit plans that reimburse or arrange for covered health care services to covered persons through a limited network plan if:

(1) The health maintenance organization or insurance company provides ~~itself~~, or arranges through an insurance company to provide, for an ~~annual~~ option for ~~covered persons~~ a policyholder to choose a health benefit plan or a point-of-service plan that reimburses or arranges for the covered health care services from any health care provider qualified to render the covered health care services;

(2) ~~The difference in the benefit level of the optional health benefit plan or point-of-service plan shall not exceed twenty-five percent (25%) of the benefit level under the limited benefit plan~~ At the option of the Insurance Commissioner, a review of the contracted provider network of the health maintenance organization or insurance company determines that the contracted provider network is adequate;

(3) ~~The employer or other group contract holder~~ policyholder contracting with the health maintenance organization or insurance company for a health benefit plan ~~shall provide~~ an equal contribution per covered person ~~regardless of which option~~ whether or not the health care services are delivered to the covered person chooses pursuant to the provisions of this subchapter through a limited network plan or a plan offering out-of-network benefits; and

(4) Under the optional health benefit plan or point-of-service plan, the rate of reimbursement for health providers out of the network ~~shall~~ be is no higher than the normal and usual and customary rate charged by those out-of-network providers on a regular basis, provided that copayment, coinsurance, and other cost-sharing features may be different for out-of-network providers and in-network providers.

(b)(1) The pricing of the optional health benefit plan or point-of-service plan ~~must~~ shall provide an expected incurred loss ratio of not less than eighty percent (80%).

(2) ~~The Insurance Commissioner shall~~ commissioner may promulgate rules ~~and regulations as may be~~ that are necessary to implement ~~the~~

~~provisions of~~ this subchapter and to ensure that the price of the option provided in this section bears a reasonable relationship to the costs and benefits of the limited network plan.

(c) This subchapter ~~shall apply to any~~ a health benefit plan issued or renewed on or after January 1, 2000.