

State of Arkansas  
91st General Assembly  
Regular Session, 2017

# A Bill

HOUSE BILL 2240

By: Representative Gonzales

## For An Act To Be Entitled

AN ACT TO EXEMPT DIRECT PRIMARY CARE AGREEMENTS FROM  
INSURANCE REGULATION; AND FOR OTHER PURPOSES.

### Subtitle

TO EXEMPT DIRECT PRIMARY CARE AGREEMENTS  
FROM INSURANCE REGULATION.

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

SECTION 1. Arkansas Code § 23-60-104 is amended to read as follows:

23-60-104. Exceptions – Burial associations – Health care sharing  
ministries – ~~Concierge service arrangements~~ Direct primary care agreements –  
Definitions.

(a) The Arkansas Insurance Code and rules promulgated by the Insurance  
Commissioner under the Arkansas Insurance Code do not apply to a:

(1) Burial association governed by §§ 23-78-101 – 23-78-119 and  
23-78-121 – 23-78-125;

(2) ~~Concierge service arrangement~~ Direct primary care agreement;

or

(3) Health care sharing ministry.

(b) As used in this section:

(1)(A) “~~Concierge service arrangement~~ Direct primary care  
agreement” means a ~~contractual~~ written agreement that:

(i) Is between a licensed healthcare provider and an  
individual a patient or the patient’s legal representative;

(ii)(a) Allows either party to terminate the  
agreement in writing, without penalty or payment of a termination fee, at any



time or after notice as specified in the agreement.

(b) The notice of termination described in subdivision (b)(1)(A)(ii)(a) of this section shall not exceed sixty (60) days;

(iii) to provide Describes select medical the healthcare services to be provided as specified under a medical arrangement in exchange for payment of an established a periodic fee;

(iv) Specifies the periodic fee required and any additional fees that may be charged;

(v) May allow the periodic fee and any additional fees to be paid by a third party;

(vi) Prohibits the healthcare provider from charging or receiving additional compensation for healthcare services included in the periodic fee; and

(vii) Conspicuously and prominently states that the agreement is not health insurance and does not meet any individual health insurance mandate that may be required by federal law.

(B) A ~~concierge service arrangement~~ direct primary care agreement shall provide a written disclaimer on or accompanying an application distributed by or on behalf of an entity offering a ~~concierge service arrangement~~ direct primary care agreement that reads, in substance: "Notice: A ~~concierge service arrangement~~ direct primary care agreement is not an insurance policy, and the select medical services as specified under a ~~concierge service arrangement~~ direct primary care agreement may not constitute the minimum essential health benefits under federal healthcare laws established by Pub. L. No. 111-148, as amended by Pub. L. No. 111-152, and any amendments to, or regulations or guidance issued under, those statutes existing on ~~January 1, 2015~~ January 1, 2017. Medical services provided under a ~~concierge service arrangement~~ direct primary care agreement may not be covered by or coordinated with your health insurance and you may be responsible for any payment for medical services not covered by health insurance under your insurer's statement of benefits policy."; ~~and~~

(C) "Direct primary care agreement" does not mean a health benefit plan or a health maintenance organization as defined in § 23-76-102; and

(2) "Health care sharing ministry" means a faith-based,

nonprofit organization that:

- (A) Is tax-exempt under the Internal Revenue Code of 1986;
- (B) Limits participation to those who are of a similar faith;
- (C) Facilitates an arrangement to match participants who have financial or medical needs to participants with the present ability to assist those with financial or medical needs according to criteria established by the health care sharing ministry;
- (D) Provides for the financial or medical needs of a participant through contributions from one (1) participant to another;
- (E) Establishes contribution amounts for participants with no guarantee of return, assumption of risk, or promise to pay qualified medical needs of the participant or of the medical provider performing the service or services for the participant;
- (F) Provides a written monthly statement to its participants that lists:
  - (i) The total dollar amount of qualified needs submitted to the health care sharing ministry; and
  - (ii) The amount of contribution established for its participants;
- (G) Provides a written disclaimer on or accompanying an application and guideline material distributed by or on behalf of the health care sharing ministry that reads, in substance:
 

“Notice: The organization facilitating the sharing of medical expenses is not an insurance company and neither its guidelines nor plan of operation is an insurance policy. If anyone chooses to assist you with your medical bills, it will be totally voluntary because participants are not compelled by law to contribute toward your medical bills. Participation in the organization or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive a payment for medical expenses or if this organization continues to operate, you are always personally responsible for the payment of your own medical bills.”; and
- (H) Transfers or distributes contribution amounts from one (1) participant to match the qualified medical needs of another participant to whom neither the organization nor the sending participant has an obligation or commitment to pay for any qualified medical needs with its own

funds.

SECTION 2. Arkansas Code § 23-76-103(c)(2), concerning applicability of laws concerning hospital and medical service corporations, is amended to read as follows:

(2) ~~Concierge service arrangement~~ Direct primary care agreement as defined in § 23-60-104(b).