

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

SENATE BILL 122

5 By: Senator B. King
6

For An Act To Be Entitled

8 AN ACT TO CREATE THE HEALTHCARE COST-SHARING
9 COLLECTIONS ACT; AND FOR OTHER PURPOSES.
10

Subtitle

11 TO CREATE THE HEALTHCARE COST-SHARING
12 COLLECTIONS ACT.
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. Arkansas Code Title 23, Chapter 99, is amended to add an
20 additional subchapter to read as follows:
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Subchapter 16 – Healthcare Cost-Sharing Collections Act

23-99-1601. Title.

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24 This subchapter shall be known and may be cited as the "Healthcare
25 Cost-Sharing Collections Act".
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23-99-1602. Definitions.

As used in this subchapter:

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30 (1)(A) "Cost sharing" means the share of costs covered by a
31 health benefit plan for which an enrollee is financial responsible.

32 (B) "Cost sharing" includes deductibles, coinsurance,
33 copayments, or similar charges.

34 (C) "Cost sharing" does not include premiums, balance
35 billing amounts for nonnetwork providers, or the cost of noncovered
36 healthcare services;



1 (2)(A) "Contracting entity" means a healthcare insurer,
 2 subcontractor, affiliate, or other entity that contracts directly or
 3 indirectly with a healthcare provider for the delivery of healthcare services
 4 to an enrollee.

5 (B) "Contracting entity" includes without limitation:

- 6 (i) An insurance company;
- 7 (ii) A health maintenance organization;
- 8 (iii) A hospital and medical service corporation;
- 9 (iv) A preferred provider organization;
- 10 (v) A risk-based provider organization;
- 11 (vi) Third-party administrator; and
- 12 (vii) A prescription benefit management company;

13 (3) "Enrollee" means an individual who is entitled to receive
 14 healthcare services under the terms of a health benefit plan;

15 (4) "Entity of the state" means any agency, board, bureau,
 16 commission, committee, council, department, division, institution of higher
 17 education, office, public school, quasi-public organization, or other
 18 political subdivision of the state;

19 (5)(A) "Health benefit plan" means an individual, blanket, or
 20 group plan, policy, or contract for healthcare services issued, renewed, or
 21 extended in this state by a healthcare insurer.

22 (B) "Health benefit plan" includes a nonfederal
 23 governmental plan as defined in 29 U.S.C. § 1002(32), as it existed on
 24 January 1, 2023.

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

- 26 (i) A plan that provides only dental benefits;
- 27 (ii) A disability income plan;
- 28 (iii) A credit insurance plan;
- 29 (iv) Insurance coverage issued as a supplement to
 30 liability insurance;
- 31 (v) Medical payments under an automobile or
 32 homeowners insurance plan;
- 33 (vi) A health benefit plan provided under Arkansas
 34 Constitution, Article 5, § 32, the Workers' Compensation Law, § 11-9-101 et
 35 seq., or the Public Employee Workers' Compensation Act, § 21-5-601 et seq.;
- 36 (vii) A plan that provides only indemnity for

1 hospital confinement;

2 (viii) An accident-only plan;

3 (ix) A specified disease plan;

4 (x) A policy, contract, certificate, or agreement
5 offered or issued by a healthcare insurer to provide, deliver, arrange for,
6 pay for, or reimburse any of the costs of healthcare services, including
7 pharmacy benefits, to an entity of the state;

8 (xi) A long-term care insurance plan; or

9 (xii) A healthcare provider self-insured plan;

10 (6) "Healthcare contract" means a contract entered into,
11 materially amended, or renewed between a contracting entity and a healthcare
12 provider for the delivery of healthcare services to an enrollee;

13 (7)(A) "Healthcare insurer" means an entity that is subject to
14 state insurance regulation and provides health insurance in this state.

15 (B) "Healthcare insurer" includes:

16 (i) An insurance company;

17 (ii) A health maintenance organization;

18 (iii) A hospital and medical service corporation;

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

20 (v) Any sponsor of a nonfederal self-funded
21 governmental plan in this state;

22 (8) "Healthcare provider" means a person or entity that is
23 licensed, certified, or otherwise authorized by the laws of this state to
24 administer healthcare services; and

25 (9) "Healthcare services" means services or goods provided for
26 preventing, diagnosing, treating, alleviating, relieving, curing, or healing
27 human illness, disease, condition, disability, or injury.

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29 23-99-1603. Collection by healthcare insurer – Authority.

30 (a) A healthcare insurer shall:

31 (1) Pay a healthcare provider the full amount due for healthcare
32 services under the terms of a health benefit plan, including any cost
33 sharing;

34 (2) Have the sole responsibility for collecting cost sharing
35 from an enrollee; and

36 (3) Upon request of the enrollee, collect cost-sharing

1 throughout the plan year in increments defined by the healthcare insurer.

2 (b) A healthcare insurer shall not:

3 (1) Withhold any amount for cost sharing from the payment to a
4 healthcare provider; or

5 (2) Require a healthcare provider to offer additional discounts
6 to enrollees outside the terms of the healthcare contract between the
7 healthcare insurer and the healthcare provider.

8 (c) Any value of a copay assistance coupon or similar assistance
9 program shall be applied to an enrollee’s annual cost-sharing requirement and
10 may be paid directly to the healthcare insurer on the enrollee’s behalf.

11 (d) A healthcare insurer shall not cancel the health benefit plan of
12 an enrollee for failure to collect cost sharing.

13 (e) Any expenses of implementing this subchapter by a healthcare
14 insurer shall not be used as justification to increase premiums or decrease
15 payments to a healthcare provider.

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17 23-99-1604. Violation of Trade Practices Act – Enforcement.

18 (a) A violation of this subchapter is a deceptive act, as defined by
19 the Trade Practices Act, § 23-66-201 et seq.

20 (b) All remedies, penalties, and authority granted to the Insurance
21 Commissioner under the Trade Practices Act, § 23-66-201 et seq., shall be
22 available to the commissioner for the enforcement of this subchapter.

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24 23-99-1605. Rules.

25 The Insurance Commissioner may promulgate rules necessary to implement
26 and administer this subchapter.

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