

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

State of Arkansas
94th General Assembly
Regular Session, 2023

As Engrossed: H3/30/23
A Bill

HOUSE BILL 1741

By: Representative D. Ferguson

By: Senator J. Boyd

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE ASSIGNMENT OF BENEFITS TO A HEALTHCARE PROVIDER; TO REQUIRE CONSENT TO THE ASSIGNMENT OF BENEFITS TO A HEALTHCARE PROVIDER; TO MANDATE NOTICE TO AN ENROLLEE OF THE ASSIGNMENT OF BENEFITS TO A HEALTHCARE PROVIDER; AND FOR OTHER PURPOSES.

Subtitle

TO REQUIRE CONSENT TO THE ASSIGNMENT OF BENEFITS TO A HEALTHCARE PROVIDER; AND TO MANDATE NOTICE TO AN ENROLLEE OF THE ASSIGNMENT OF BENEFITS TO A HEALTHCARE PROVIDER.

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

SECTION 1. Arkansas Code § 23-99-1301(3)(B), concerning the definition of "health benefit plan" used in assignment of benefits to a healthcare provider, is amended to read as follows:

- (B) "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) Medical payments under an automobile or homeowners insurance plan;



(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 insurance plan; or

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

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

SECTION 2. Arkansas Code § 23-99-1302 is amended to read as follows:
23-99-1302. Assignment of benefits - Consent and notice required.

(a) An enrollee, through an assignment of benefits, may assign to a healthcare provider the enrollee's right to receive reimbursement for any healthcare service rendered by a healthcare provider regardless of whether the healthcare provider is a participating provider or an out-of-network provider.

(b)(1) A healthcare provider that is provided an assignment of benefits by an enrollee under this section shall provide notice to the payor of the assignment of benefits with a claim for payment for healthcare services provided to an enrollee.

(2) If the healthcare provider providing notice to the payor is an out-of-network provider, the notice shall be accompanied by a complete copy of the assignment of benefits bearing the enrollee's signature and the date the assignment was executed.

(c)(1) A payor, upon receipt of the claim and notice of the assignment of benefits submitted by the healthcare provider, shall promptly remit payment of the claim directly to the healthcare provider.

(2) When payment is made directly to the healthcare provider, the payor shall give written notice of the payment to an enrollee.

(3) A violation of this subsection is:

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

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

seq.

(d)(1)(A) If an enrollee executes an assignment of benefits and the

healthcare provider submits notice of that assignment of benefits with the healthcare provider's claim for payment under this section, the claim is not paid if the payor remits payment of the claim to the enrollee rather than to the healthcare provider.

(B) Notwithstanding the incorrect payment of a claim to an enrollee, a payor shall remain liable for remitting payment of the claim to the healthcare provider under the assignment of benefits.

(2) If an assignment of benefits has been executed but the payor remits payment of the claim to the enrollee, then the payor shall remit payment of the claim to the healthcare provider under the assignment of benefits within ten (10) days of receiving notice of the incorrect payment from the healthcare provider.

(e) For dental-only plans, an enrollee shall provide annual consent of an assignment of benefits to the healthcare provider and the healthcare insurer or payor.

(f) For dental-only plans, before providing healthcare services to an enrollee, a healthcare provider shall provide a notice or statement to the enrollee informing the enrollee:

(1) The healthcare provider is not a participating provider;

(2) The healthcare provider may charge the enrollee for noncovered healthcare services;

(3) The healthcare provider may charge the enrollee the balance bill for covered healthcare services;

(4) An estimate of the cost of healthcare services that the healthcare provider will provide the enrollee; and

(5) Any terms of payment that apply, including without limitation interest that the healthcare provider charges.

SECTION 3. Arkansas Code § 23-99-1305 is amended to read as follows:
23-99-1305. Rules.

~~(a)~~ The Insurance Commissioner shall promulgate rules necessary to ensure compliance with this subchapter.

~~(b)(1) When adopting the initial rules to ensure compliance with this subchapter, the final rule shall be filed with the Secretary of State for adoption under § 25-15-204(f);~~

~~(A) On or before March 1, 2020; or~~

~~(B) If approval under § 10-3-309 has not occurred by March 1, 2020, as soon as practicable after approval under § 10-3-309.~~

~~(2) The commissioner shall file the proposed rule with the Legislative Council under § 10-3-309(e) sufficiently in advance of March 1, 2020, so that the Legislative Council may consider the rule for approval before March 1, 2020.~~

SECTION 4. DO NOT CODIFY. EFFECTIVE DATE. This act is effective on and after January 1, 2024.

/s/D. Ferguson