

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: S1/30/23 S2/15/23
A Bill

SENATE BILL 122

By: Senator B. King

For An Act To Be Entitled

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

Subtitle

TO CREATE THE HEALTHCARE COST-SHARING
COLLECTIONS ACT.

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

SECTION 1. Arkansas Code Title 23, Chapter 99, is amended to add an additional subchapter to read as follows:

Subchapter 16 – Healthcare Cost-Sharing Collections Act

23-99-1601. Title.

This subchapter shall be known and may be cited as the "Healthcare Cost-Sharing Collections Act".

23-99-1602. Definitions.

As used in this subchapter:

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

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

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



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

(B) "Contracting entity" includes without limitation:

(i) An insurance company;

(ii) A health maintenance organization;

(iii) A hospital and medical service corporation;

(iv) A preferred provider organization;

(v) A risk-based provider organization; and

(vi) Third-party administrator;

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

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

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

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

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

(i) A plan that provides only dental benefits or eye and vision care benefits;

(ii) A disability income plan;

(iii) A credit insurance plan;

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

(v) Medical payments under an automobile or homeowners insurance plan;

(vi) 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.;

(vii) A plan that provides only indemnity for

hospital confinement;

(viii) An accident-only plan;

(ix) A specified disease plan;

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

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

(xii) A healthcare provider self-insured plan;

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

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

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

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

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

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

(a) A healthcare insurer shall:

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

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

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

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

(b) A healthcare insurer shall not:

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

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

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

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

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

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

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

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

23-99-1605. Rules.

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

/s/B. King