

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

State of Arkansas  
95th General Assembly  
Regular Session, 2025

# A Bill

SENATE BILL 221

By: Senators B. Davis, J. Dismang, Gilmore, B. Johnson, C. Tucker, D. Wallace, G. Leding

By: Representatives L. Johnson, Hudson, Beaty Jr., A. Collins, Achor, K. Brown, Brooks

## For An Act To Be Entitled

AN ACT TO PROHIBIT RISK-BASED PROVIDER ORGANIZATIONS FROM USING CERTAIN TYPES OF CONTRACTING PRACTICES WHEN CONTRACTING WITH PROVIDERS; TO AMEND THE MEDICAID PROVIDER-LED ORGANIZED CARE ACT; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

## Subtitle

TO PROHIBIT RISK-BASED PROVIDER ORGANIZATIONS FROM USING CERTAIN TYPES OF CONTRACTING PRACTICES WHEN CONTRACTING WITH PROVIDERS; TO AMEND THE MEDICAID PROVIDER-LED ORGANIZED CARE ACT; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code Title 20, Chapter 77, Subchapter 27, is amended to add an additional section to read as follows:

20-77-2709. Prohibitions on discrimination and tying of services in contracts with risk-based provider organizations – Legislative findings.

(a) The General Assembly finds that:

(1) Risk-based provider organizations, also known as provider-led shared savings entities, have engaged in unfair tactics with direct service providers;

(2) When a provider will not agree to below costs rates for one (1) service, the risk-based provider organization terminates the direct service provider's network status for all other services;



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(3) This practice is often referred to as "tying" or "all or nothing" and restricts access to healthcare services by reducing the number of providers available to serve individuals with disabilities; and

(4) These negotiating tactics diminish or eliminate the ability of the provider to fairly negotiate rates with the risk-based provider organization.

(b) A risk-based provider organization shall not:

(1) Tie contracting for one (1) service to another service against a direct service provider's will;

(2) Penalize, terminate, or refuse network admission to a direct service provider who agrees to the terms and conditions for at least one (1) service offered by the risk-based provider organization on the basis that the provider has declined to provide one (1) or more other services on the terms and conditions that the direct service provider is not willing to accept; or

(3) Discriminate against or penalize in any way a provider for exercising the rights under this section.

(c)(1) A violation of this section is:

(A) An unfair trade practice under the Trade Practices Act, § 23-66-201 et seq.;

(B) A violation of the Patient Protection Act of 1995, 23-99-201 et seq.;

(C) A violation of the any willing provider laws under § 23-99-801 et seq.; and

(D) A violation of the Unfair Practices Act, § 4-75-201 et seq.

(2) If a healthcare contract with a risk-based provider organization contains a provision that violates this section, that provision is void.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that contracting and negotiating practices of risk-based provider organizations are negatively impacting the ability of providers to deliver healthcare services to Medicaid beneficiaries; that these practices harm access to healthcare to the most vulnerable individuals such as individuals with disabilities who need healthcare services on an ongoing basis; and that this act is immediately

necessary to protect the health and safety of the most vulnerable populations in the Arkansas Medicaid Program being served by risk-based provider organizations who are restricting healthcare access. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.