For An Act To Be Entitled
AN ACT TO REQUIRE CHILD-ONLY INDIVIDUAL HEALTH INSURANCE POLICIES; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle
TO REQUIRE CHILD-ONLY INDIVIDUAL HEALTH INSURANCE POLICIES AND TO DECLARE AN EMERGENCY.

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

SECTION 1. TEMPORARY LANGUAGE. DO NOT CODIFY.

Health insurance for individuals under nineteen years of age.

(a) As used in this act:

(1)(A) "Child-only plan" means renewable individual health insurance for a qualified individual other than excepted benefits as defined in § 23-86-310.

(2)(A) "Health insurance" means any hospital and medical expense-incurred policy, certificate, or contract provided by an insurer, hospital or medical service corporation, health maintenance organization, or any other health care plan or arrangement that pays for or furnishes medical or health care services whether by insurance or otherwise and includes any excess or stop-loss coverage.

(B) "Child-only plan" does not include dependent health insurance for a qualified individual under another person's health insurance;

(B) "Health insurance" does not include long-term care,
disability income, short-term, accident, dental-only, vision-only, fixed
indemnity, limited-benefit or credit insurance, coverage issued as a
supplement to liability insurance, insurance arising out of workers’
compensation or similar law, automobile medical-payment insurance, or
insurance under which benefits are payable with or without regard to fault
and that is statutorily required to be contained in any liability insurance
policy or equivalent self-insurance;

(3) "Individual health insurance" means health insurance offered
to individuals in the individual market but does not include short-term
limited duration insurance;

(4)(A) "Insurer" means any entity that provides health
insurance, including excess or stop-loss health insurance, in the State of
Arkansas.

(B) “Insurer” includes an insurance company, medical
services plans, hospital plans, hospital medical service corporations, health
maintenance organizations, fraternal benefits society, or any other entity
providing a plan of health insurance or health benefits subject to state
insurance regulation;

(5) "Open enrollment period" means October 1 through October 31
annually, beginning October 1, 2011;

(6) "Qualifying event" means the loss of employer-sponsored
health insurance or the involuntary loss of other existing health insurance
for any reason other than fraud, misrepresentation, or failure to pay a
premium if the applicant is a qualified individual when the qualifying event
occurs; and

(7)(A) "Qualified individual" means a resident of this state
under nineteen (19) years of age.

(B) "Qualified individual" does not include a person who
is not a United States citizen or who is present in the United States
illegally.

(b)(1) An insurer shall establish and administer the open enrollment
period for the purpose of offering a child-only plan to each qualified
individual.

(2) During the open enrollment period and within thirty (30)
days of a qualifying event, an insurer shall accept and grant an application
to insure a qualified individual for a child-only plan on a guaranteed-issue
basis without any limitations or exclusions of policy benefits based upon the applicant's health status.

(c)(1) Until the end of the initial open enrollment period, the Arkansas Comprehensive Health Insurance Pool shall provide health insurance to qualified individuals under § 23-79-509(a)(1)(C).

(2) At the end of the initial open enrollment period, the eligibility of a qualified individual for health insurance under the Arkansas Comprehensive Health Insurance Pool shall be determined under policies and procedures established by the Board of Directors of the Arkansas Comprehensive Health Insurance Pool.

(d) The Insurance Commissioner shall adopt rules to implement and administer this act.

(e) This act and the rules adopted by the commissioner to administer this act expires on January 1, 2014.

SECTION 2. Arkansas Code § 23-79-509(a)(1), concerning the general eligibility requirements of the Arkansas Comprehensive Health Insurance Pool, is amended to read as follows:

(a) General Eligibility Requirements. The following requirements apply to a resident eligible person or a trade adjustment assistance eligible person in order for the person to be eligible for plan coverage:

(1) Except as provided in subdivision (a)(2) of this section or subsection (b) of this section, any individual person who meets the definition of resident eligible person as defined by § 23-79-503 or a trade adjustment assistance eligible person as defined by § 23-79-503 and is either a citizen of the United States or an alien lawfully admitted for permanent residence who continues to be a resident of this state shall be eligible for plan coverage if evidence is provided of:

(A) A notice of rejection or refusal by an insurer to issue substantially similar individual health insurance coverage by reason of the existence or history of a medical condition or upon such other evidence that the Board of Directors of the Arkansas Comprehensive Health Insurance Pool deems sufficient in order to verify that the applicant is unable to obtain the coverage from an insurer due to the existence or history of a medical condition;

(B)(i) A refusal by an insurer to issue individual health
insurance coverage except at a rate that the board determines is
substantially in excess of the applicable plan rate.

(ii) A rejection or refusal by a group health plan
or insurer offering only stop-loss or excess-of-loss insurance or contracts,
agreements, or other arrangements for reinsurance coverage with respect to
the applicant shall not be sufficient evidence under this subsection; or

(C)(i) Until September 30, 2011, a refusal by an insurer
to issue individual health insurance coverage to a child under nineteen (19)
years of age.

(ii) After September 30, 2011, the eligibility of a
child under nineteen (19) years of age for individual health insurance
coverage shall be determined by the board; or

(D) Evidence that the applicant was covered under a
qualified high risk pool of another state, provided that the coverage
terminated no more than sixty-three (63) days prior to the date the pool
receives the applicant’s application for coverage and the other state’s
qualified high risk pool did not terminate the person’s coverage for fraud;

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
General Assembly of the State of Arkansas that recent changes in federal law
prohibit health insurers from imposing preexisting-condition exclusions on
individuals under nineteen (19) years of age; that there exists a limited
market in this state of health insurers voluntarily offering individual
health insurance policies to individuals under nineteen (19) years of age;
that children with preexisting conditions may be unable to obtain any health
insurance coverage; and that this act is immediately necessary because the
lack of health insurance coverage results in the children of this state
receiving inadequate medical care, foregoing wellness treatment and medical
procedures, and experiencing declining health, with potentially devastating
consequences to the future health and welfare of our state. 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.

/s/D. Hutchinson

APPROVED: 03/14/2011