

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 84th General Assembly  
3 Regular Session, 2003  
4

*As Engrossed: S3/13/03*

# A Bill

Act 1359 of 2003  
HOUSE BILL 1344

5 By: Representative Napper  
6  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE ARKANSAS HEALTH INSURANCE  
10 CONSUMER CHOICE ACT TO ELIMINATE THE REQUIREMENT  
11 THAT AN INDIVIDUAL MUST REJECT IN WRITING A STATE  
12 MANDATED HEALTH BENEFIT PLAN; TO AUTHORIZE THE  
13 INSURANCE COMMISSIONER TO PROMULGATE RULES  
14 REGARDING NOTICE AND REJECTION REQUIREMENTS FOR  
15 STATE MANDATED HEALTH BENEFITS PLANS; TO  
16 ELIMINATE THE COMMISSIONER'S YEARLY REPORTING  
17 REQUIREMENT REGARDING THE NUMBER OF INSURANCE  
18 POLICIES WITH LIMITED AND FULL MANDATE OPTIONS  
19 WRITTEN IN THE STATE OF ARKANSAS; AND FOR OTHER  
20 PURPOSES.  
21

## Subtitle

22 AN ACT TO AMEND THE ARKANSAS HEALTH  
23 INSURANCE CONSUMER CHOICE ACT.  
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26

27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
28

29 SECTION 1. Arkansas Code § 23-79-803 is amended to read as follows:  
30 23-79-803. Requirements relating to offering a health benefits plan  
31 not subject to state-mandated health benefits.

32 (a) Every group accident and health insurer, hospital and medical  
33 service corporation, or health maintenance organization transacting health or  
34 accident and health insurance in this state may offer, as an option, a group  
35 health benefits plan which, either in whole or in part, does not provide  
36 state-mandated health benefits on group health benefits plans under state



1 law.

2 (b) Every accident and health insurer transacting individual major  
3 medical insurance in this state may offer, as an option, an individual health  
4 benefits plan which, either in whole or in part, does not provide state-  
5 mandated health benefits on individual health benefit plans under state law.

6 (c) In each sale of health policies or health contracts in which the  
7 proposed insured has selected a health benefits plan which, either in whole  
8 or in part, does not provide state-mandated health benefits, the accident and  
9 health insurer, hospital and medical service corporation, or health  
10 maintenance organization ~~shall:~~

11 ~~(1) Provide to the proposed insured written notice as required~~  
12 ~~in subsection (d) of this section; and shall provide to the policyholder and~~  
13 ~~to each certificate holder of a group health benefit plan a written notice,~~  
14 ~~in a form and manner required by rule or regulation promulgated by the~~  
15 ~~commissioner, that one (1) or more of the mandated benefits are not included~~  
16 ~~in the health benefit plan selected by the policyholder.~~

17 ~~(2)(A) Obtain from the proposed insured a rejection in writing~~  
18 ~~that the insured or eligible employee of a group policy has rejected a health~~  
19 ~~benefits plan providing state-mandated health benefits.~~

20 ~~(B) The signed rejection shall include a listing of the~~  
21 ~~standard provisions and state-mandated health benefits rejected by the~~  
22 ~~insured or eligible employee.~~

23 ~~(d) The written notice required in subsection (c) of this section~~  
24 ~~shall state in the written application or enrollment form for the health~~  
25 ~~benefits plan the following language in bold type:~~

26 ~~"You have the option to select an alternative health insurance policy~~  
27 ~~or health plan which is not subject to all of the state-mandated health~~  
28 ~~benefits normally required in insurance policies or contracts in Arkansas.~~  
29 ~~Some examples of state-mandated health benefits which may be rejected by you~~  
30 ~~include maternity and newborn coverage, in vitro fertilization, diabetes and~~  
31 ~~pediatric preventative care. Please consult your agent as to which state~~  
32 ~~health benefits are excluded in this policy. This alternative health~~  
33 ~~insurance policy or contract may provide a more affordable health insurance~~  
34 ~~policy for you although, at the same time, it may provide you with fewer~~  
35 ~~health benefits coverages than those normally imposed on health insurance~~  
36 ~~policies in Arkansas. If you select this option, please consult with your~~

1 ~~insurance agent to discover the degree to which the alternative health~~  
2 ~~insurance policy or contract does not provide health and medical benefits~~  
3 ~~equal to those policies subject to state mandated health benefits.—If you~~  
4 ~~are eligible for a health insurance policy, your insurance agent may offer~~  
5 ~~you an alternative health insurance policy or health plan not fully subject~~  
6 ~~to state mandated benefits."~~

7 ~~(e) Failure to provide the written notice or rejection as required in~~  
8 ~~this section shall result in the proposed insured, enrollee, or certificate~~  
9 ~~holder selecting a health benefits plan subject to all applicable state-~~  
10 ~~mandated health benefits and services.~~

11  
12 SECTION 2. Arkansas Code § 23-79-804 is repealed.

13 ~~23-79-804.—Report.~~

14 ~~(a) The Insurance Commissioner shall issue a report by June 31 and~~  
15 ~~December 31 of each year to the Senate Insurance and Commerce Interim~~  
16 ~~Committee and the House Insurance and Commerce Interim Committee.~~

17 ~~(b) The report shall include the number of policies written in the~~  
18 ~~State of Arkansas with the limited mandate option and the number of policies~~  
19 ~~written in the State of Arkansas with the full mandate option.~~

20 ~~(c) Every health insurer licensed to conduct business in this state~~  
21 ~~shall provide to the commissioner any information requested by the~~  
22 ~~commissioner in order to issue its report to the committees.~~

23  
24 */s/ Napper*

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27 *APPROVED: 4/15/2003*