

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: S2/27/03

A Bill

Act 660 of 2003
SENATE BILL 150

5 By: Senators Wilkinson, Whitaker, Trusty, *Critcher, Faris*
6 By: Representatives Cleveland, Walters, Verkamp
7
8

For An Act To Be Entitled

10 AN ACT TO ESTABLISH A STATUTORY FRAMEWORK FOR
11 COMMUNITY-BASED HEALTH CARE ACCESS PROGRAMS; AND
12 FOR OTHER PURPOSES.
13

Subtitle

15 AN ACT TO ESTABLISH A STATUTORY
16 FRAMEWORK FOR COMMUNITY-BASED HEALTH
17 CARE ACCESS PROGRAMS.
18
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. (a) The General Assembly finds that:

23 (1) The State of Arkansas currently ranks forty-sixth among the
24 fifty (50) states for having the least healthy population;

25 (2) A major contributing factor to the state's low health
26 ranking is its high percentage of uninsured persons;

27 (3) There is a significant gap in the state's health care safety
28 net, especially with regard to working adults with low incomes; and

29 (4) New relationships are needed between the federal and state
30 governments, local communities, health care providers, employers, and
31 uninsured persons in this state so that health care services for the
32 uninsured will be more accessible, more affordable and more effective.

33 (b) Therefore, there is created a statutory framework for the
34 establishment of community-based health care access programs, that can serve
35 as a bridge to connect and assist government, communities and citizens to
36 develop a more comprehensive and responsible health care system, one that



1 seeks to expand access and education with regard to health services for
2 economically disadvantaged, uninsured, working adults.

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4 SECTION 2. As used in this act:

5 (1) “Community-based” means based in, located in, or primarily
6 relating to the community of geographically contiguous political
7 subdivisions, as determined by the board of a community-based health
8 cooperative, that will be or is served by the community-based health care
9 access program initiated by the community-based health cooperative;

10 (2) “Community-based health care access program” means a program
11 administered by a community-based health cooperative whereby hospital,
12 medical, health education, and other health care services may be furnished by
13 or through provider members of a community-based health network, or
14 combination of networks, to uninsured residents of that community who are
15 members of the program;

16 (3) “Community-based health cooperative” means a nonprofit corporation
17 organized under the laws of this state that:

18 (A) Undertakes to establish, maintain, and operate a community-
19 based health care access program; and

20 (B) Is governed by a board:

21 (i) With at least eighty percent (80%) of its members
22 residing in the community; and

23 (ii) Including representatives of network providers; and

24 (4) “Community-based health network” means a contract-based network
25 organized by a community-based health cooperative to provide or support the
26 delivery of health care services to members served by the community-based
27 health care access program.

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29 SECTION 3. (a) A community-based health cooperative shall administer
30 a community-based health care access program in a manner that:

31 (1) Defines the population that may receive subsidized services
32 provided through the program by limiting program eligibility to adults
33 between the ages of eighteen (18) and sixty-five (65) who:

34 (A) Are residing in or working in the community being
35 served by the program;

36 (B) Are without health care coverage;

1 (C) Are not eligible for Medicare, Medicaid, or other
2 similar government programs;

3 (D) Have an income not exceeding two hundred percent
4 (200%) of the federal poverty level, as in effect January 1, 2003; and

5 (E) Meet any other requirements that, consistent with the
6 purposes of this subchapter, are established by the board of directors of the
7 community-based health cooperative;

8 (2) Defines the population that may receive unsubsidized
9 services provided through the program by limiting program eligibility to
10 adults between the ages of eighteen (18) and sixty-five (65) and their
11 dependent children who:

12 (A) Are residing in or working in the community being
13 served by the program;

14 (B) Are without health care coverage;

15 (C) Are not eligible for Medicare, Medicaid, ARKids First
16 or other similar government programs;

17 (D) Have an income not exceeding three hundred percent
18 (300%) of the federal poverty guidelines, or are fulltime employees of the
19 community-based health cooperative; and

20 (E) Meet any other requirements that, consistent with the
21 purposes of this subchapter, are established by the board of directors of the
22 community-based health cooperative;

23 (3) Provides, as a condition of eligibility, for the automatic
24 assignment of medical payment due the client member of the community-based
25 health care access program to the community-based health cooperative;

26 (4) Defines the services to be covered under the community-based
27 health care access program; and

28 (5) Establishes copayments for services received by client
29 members of the community-based health care access program.

30 (b) To promote the most efficient use of resources, community-based
31 health cooperatives shall emphasize in client member agreements and provider
32 member agreements:

33 (1) Disease prevention;

34 (2) Early diagnosis and treatment of medical problems; and

35 (3) Community care alternatives for individuals who would
36 otherwise be at risk to be institutionalized.

1 (c)(1) A community-based health cooperative shall file with the
2 Insurance Commissioner the community-based health care access program it
3 develops.

4 (2) The filing with the Insurance Commissioner shall be for
5 review purposes only and shall neither require approval or disapproval by the
6 Insurance Commissioner.

7 (3) The information filed with the Insurance Commissioner shall
8 include an actuarial certification.

9 (4) For the purposes of this subsection (c), "actuarial
10 certification" means a written statement by a member of the American Academy
11 of Actuaries or other individuals acceptable to the Insurance Commissioner
12 that the community-based health care access program is actuarially sound
13 based upon the person's examination, including a review of the appropriate
14 records and methods utilized by the community-based health cooperative in
15 establishing premium rates for the community-based health care access
16 program.

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18 SECTION 4. Whenever feasible, community-based health cooperatives
19 shall participate actively with area health education center programs, in
20 developing and implementing recruitment, training and retention programs
21 directed at positively influencing the supply and distribution of health care
22 professionals serving in or receiving training in rural health network areas.

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24 SECTION 5. A community-based health cooperative may make donations for
25 the public welfare or for charitable, scientific or educational purposes,
26 subject to such limitations, if any, as may be contained in its articles of
27 incorporation or any amendment to the articles of incorporation.

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29 SECTION 6. (a) In order to demonstrate program viability and
30 effectiveness, a community-based health cooperative shall collect data and
31 upon request, make available a report to the appropriate Senate and House
32 Interim Committees.

33 (b) Data shall include:

34 (1) The results of client member surveys;

35 (2) The results of provider member surveys;

36 (3) The results of community need assessment surveys; and

1 (4) Other data as may be relevant to the community-based health
2 care access program.

3 (c) The report shall include recommendations with regard to criteria
4 and priorities for improvement and expansion of the community-based health
5 care access program.

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7 SECTION 7. No community-based health cooperative shall be deemed to be
8 engaged in the corporate practice of medicine.

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10 SECTION 8. No liability on the part of, and no cause of action of any
11 nature, shall arise against any member of the board of directors of a
12 community-based health cooperative or against an employee or agent of a
13 community-based health cooperative for any lawful action taken by them in the
14 performance of their administrative powers and duties under this subchapter.

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16 SECTION 9. (a)(1) Community-based health cooperatives shall not be
17 considered or regulated as any type of entity governed by Title 23 of the
18 Arkansas Code.

19 (2) No program offered by a community-based health cooperative
20 shall be subject to regulation under Title 23 of the Arkansas Code.

21 (b) An entity subject to regulation under Title 23 of the Arkansas
22 Code that contracts with a community-based health cooperative to provide or
23 to arrange for the provision of secondary or tertiary services to client
24 members of a community-based health care access program may not be required
25 to comply with any provision of Title 23 of the Arkansas Code that mandates
26 the provision of certain benefits, mandates the provision of a certain level
27 of benefits, or both, regarding client members of a community-based health
28 care access program. The exemption from regulation under Title 23 of the
29 Arkansas Code shall apply only to the entity's contracts with or services
30 provided to the community-based health cooperative and in all other instances
31 the entity is subject to the provisions of Title 23 of the Arkansas Code.

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33 SECTION 10. EMERGENCY CLAUSE. It is found and determined by the
34 General Assembly of the State of Arkansas that the availability of a
35 continuum of quality health care services, including preventive, primary,
36 secondary, tertiary and long term care, is essential to the economic and

1 social vitality of some communities; that in many communities access to
 2 health care services is limited and the quality of health care services is
 3 negatively affected by inadequate financing, difficulty in recruiting and
 4 retaining skilled health professionals, and the migration of rural patients
 5 to urban areas for general acute care and specialty services; that the
 6 efficient and effective delivery of health care services to the uninsured
 7 requires the integration of public and private resources and the coordination
 8 of health care providers; that currently state law does not provide the
 9 flexibility necessary to accomplish integration and coordination in a cost-
 10 effective manner; that the ability to create community-based health
 11 cooperatives to organize community-based health care programs and community-
 12 based health networks can help to alleviate many of the problems identified
 13 with the delivery of quality health care in many communities; that community-
 14 based health cooperatives and their programs and networks may serve as public
 15 laboratories to determine the best way of organizing health services so that
 16 the state can move closer to ensuring that everyone has access to health care
 17 while promoting cost containment efforts; that the immediate passage of this
 18 act is necessary to continue to provide a statutory framework for the
 19 establishment of community-based health cooperatives to accomplish the
 20 objectives described in this act. Therefore, an emergency is declared to
 21 exist and this act being immediately necessary for the preservation of the
 22 public peace, health and safety shall become effective on:

- 23 (1) The date of its approval by the Governor;
- 24 (2) If the bill is neither approved nor vetoed by the Governor, it
 25 shall become effective on the expiration of the period of time during which
 26 the Governor may veto the bill; or
- 27 (3) If the bill is vetoed by the Governor and the veto is overridden,
 28 it shall become effective on the date the last house overrides the veto.

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/s/ Wilkinson

APPROVED: 3/26/2003

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