

1 State of Arkansas  
2 89th General Assembly  
3 Regular Session, 2013  
4

*As Engrossed: S3/19/13*  
**A Bill**

HOUSE BILL 1874

5 By: Representative Gillam  
6 *By: Senator J. Woods*  
7

8 **For An Act To Be Entitled**

9 AN ACT TO CREATE THE OFFENSES OF INSURANCE FRAUD BY  
10 USE OF A PROCURER AND PROHIBITED ACTIVITY BY A  
11 PROCURER; TO REQUIRE A CHIROPRACTIC PHYSICIAN WHO  
12 USES A PROCURER TO ABIDE BY CERTAIN REGULATIONS; TO  
13 EMPOWER THE ARKANSAS STATE BOARD OF CHIROPRACTIC  
14 EXAMINERS TO PROSECUTE VIOLATIONS; AND FOR OTHER  
15 PURPOSES.  
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18 **Subtitle**

19 CONCERNING INSURANCE FRAUD BY CERTAIN  
20 PERSONS; AND CONCERNING CHIROPRACTIC  
21 PHYSICIAN PRACTICES AND THE ARKANSAS  
22 STATE BOARD OF CHIROPRACTIC EXAMINERS.  
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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27 SECTION 1. Arkansas Code Title 5, Chapter 37, Subchapter 5, is amended  
28 to add two additional sections to read as follows:

29 5-37-505. Insurance fraud by use of a procurer.

30 (a) As used in this section and § 5-37-506:

31 (1)(A) "Procurer" means a person or entity that for pecuniary  
32 benefit procures or attempts to procure a client, patient, or customer by  
33 directly contacting the client, patient, or customer, in person, by  
34 telephone, or by electronic means, at the direction of, request of,  
35 employment of, or in cooperation with a provider.

36 (B) "Procurer" does not include a provider or a person



1 that procures or attempts to procure a client, patient, or customer for a  
2 provider through public media or a person that refers a client, patient, or  
3 customer to a provider as otherwise authorized by law;

4 (2) "Provider" means:

5 (A) An attorney;

6 (B) A healthcare provider; or

7 (C) An employee of a provider; and

8 (3) "Public media" means telephone directories, professional  
9 directories, newspapers and other periodicals, radio and television,  
10 billboards, and mailed or electronically transmitted written or visual  
11 communications that do not involve in-person or direct contact with a  
12 specific prospective client, patient, or customer.

13 (b) A person commits the offense of insurance fraud by use of a  
14 procurer if:

15 (1) He or she is a procurer or provider; and

16 (2) For the purpose of defrauding an insured person or an  
17 insurance carrier, he or she knowingly:

18 (A) Falsely represents the services to be provided to an  
19 actual or prospective client, patient, or customer; or

20 (B) Makes a misrepresentation, including without  
21 limitation affiliation with an insurance company, a law enforcement agency,  
22 or a governing board of a healthcare provider while procuring or attempting  
23 to procure a client, patient, or customer; or

24 (C) Uses, solicits, directs, hires, or employs another  
25 person to act as a procurer to falsely represent the services to be provided  
26 to an actual or prospective client, patient, or customer.

27 (c) Insurance fraud by use of a procurer or provider is a Class D  
28 felony.

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30 5-37-506. Prohibited activity by a procurer.

31 (a) A person commits the offense of prohibited activity by a procurer  
32 if:

33 (1) The person is a procurer and he or she knowingly:

34 (A) Offers or gives anything of value to a person in order  
35 to cause the person to seek medical care from a specific healthcare provider;  
36 or

1                   (B) Solicits a person currently under the care of a  
2 chiropractic physician to seek care from another chiropractic physician; or

3                   (2) The person is a provider and he or she knowingly permits a  
4 procurer that he or she uses, directs, or employs to engage in conduct  
5 prohibited by subdivision (a)(1) of this section.

6                   (b) Prohibited activity by a procurer or provider is a Class D felony.

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8           SECTION 2. Arkansas Code § 17-81-105 is amended to read as follows:  
9           17-81-105. Prosecution of violations.

10           (a) Subject to reasonable prosecutorial discretion, It shall be it is  
11 the duty of the ~~several~~ prosecuting attorneys of the State of Arkansas to  
12 prosecute to final judgment every criminal violation of this chapter  
13 committed within their jurisdictions when requested and authorized by the  
14 Arkansas State Board of Chiropractic Examiners.

15           (b)(1) The board may also take administrative action against a person  
16 that violates this subchapter, § 5-37-505, or § 5-37-506.

17           (2) Upon a finding that a chiropractic physician has violated  
18 this subchapter, § 5-37-505, or § 5-37-506, the board may order:

19                   (A) Sanctions;

20                   (B) A license suspension; or

21                   (C) A license revocation.

22           (c) The board has immunity from civil liability for any requested  
23 prosecutorial action resulting from this section.

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25           SECTION 3. Arkansas Code Title 17, Chapter 81, Subchapter 1, is  
26 amended to add two additional sections to read as follows:

27           17-81-107. Use of a procurer.

28           (a) As used in this section:

29                   (1)(A) "Procurer" means a person or entity who for pecuniary  
30 benefit procures or attempts to procure a client, patient, or customer by  
31 directly contacting the client, patient, or customer in person, by telephone,  
32 or by electronic means at the direction of, request of, employment of, or in  
33 cooperation with a chiropractic physician.

34                   (B) "Procurer" does not include a provider or a person  
35 that procures or attempts to procure a client, patient, or customer for a  
36 provider through public media or a person that refers a client, patient, or

1 customer to a provider as otherwise authorized by law; and

2 (2) "Public media" means telephone directories, professional  
3 directories, newspapers and other periodicals, radio and television,  
4 billboards, and mailed or electronically transmitted written or visual  
5 communications that do not involve in-person or direct contact with specific  
6 prospective clients, patients, or customers.

7 (b) A chiropractic physician who uses a procurer is required to:

8 (1) Have a written contract with the procurer or procurement  
9 company with whom the chiropractic physician engages; and

10 (2) Register the name of any procurer with whom the chiropractic  
11 physician contracts with the Arkansas State Board of Chiropractic Examiners.

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13 17-81-108. Rulemaking and enforcement.

14 The Arkansas State Board of Chiropractic Examiners shall establish  
15 rules to enforce the requirements of this chapter.

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17 */s/Gillam*

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20 **APPROVED: 03/26/2013**