

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1259

5 By: Representative L. Johnson
6 By: Senator Irvin
7

For An Act To Be Entitled

8
9 AN ACT TO CREATE THE HEALTHCARE COST-SHARING
10 COLLECTIONS ACT; AND FOR OTHER PURPOSES.
11

Subtitle

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14 TO CREATE THE HEALTHCARE COST-SHARING
15 COLLECTIONS ACT.
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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20 SECTION 1. Arkansas Code Title 23, Chapter 99, is amended to add an
21 additional subchapter to read as follows:
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Subchapter 16 – Healthcare Cost-Sharing Collections Act

23-99-1601. Title.

25 This subchapter shall be known and may be cited as the "Healthcare
26 Cost-Sharing Collections Act".
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23-99-1602. Definitions.

28 As used in this subchapter:

29 (1)(A) "Cost sharing" means the share of costs covered by a
30 health benefit plan for which an enrollee is financial responsible.
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32 (B) "Cost sharing" includes deductibles, coinsurance,
33 copayments, or similar charges.
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35 (C) "Cost sharing" does not include premiums, balance
36 billing amounts for nonnetwork providers, or the cost of noncovered



1 healthcare services;

2 (2)(A) "Contracting entity" means a healthcare insurer,
3 subcontractor, affiliate, or other entity that contracts directly or
4 indirectly with a healthcare provider for the delivery of healthcare services
5 to an enrollee.

6 (B) "Contracting entity" includes without limitation:

7 (i) An insurance company;

8 (ii) A health maintenance organization;

9 (iii) A hospital and medical service corporation;

10 (iv) A preferred provider organization;

11 (v) A risk-based provider organization;

12 (vi) Third-party administrator; and

13 (vii) A prescription benefit management company;

14 (3) "Enrollee" means an individual who is entitled to receive
15 healthcare services under the terms of a health benefit plan;

16 (4) "Entity of the state" means any agency, board, bureau,
17 commission, committee, council, department, division, institution of higher
18 education, office, public school, quasi-public organization, or other
19 political subdivision of the state;

20 (5)(A) "Health benefit plan" means an individual, blanket, or
21 group plan, policy, or contract for healthcare services issued, renewed, or
22 extended in this state by a healthcare insurer.

23 (B) "Health benefit plan" includes a nonfederal
24 governmental plan as defined in 29 U.S.C. § 1002(32), as it existed on
25 January 1, 2023.

26 (C) "Health benefit plan" does not include:

27 (i) A plan that provides only dental benefits;

28 (ii) A disability income plan;

29 (iii) A credit insurance plan;

30 (iv) Insurance coverage issued as a supplement to
31 liability insurance;

32 (v) Medical payments under an automobile or
33 homeowners insurance plan;

34 (vi) A health benefit plan provided under Arkansas
35 Constitution, Article 5, § 32, the Workers' Compensation Law, § 11-9-101 et
36 seq., or the Public Employee Workers' Compensation Act, § 21-5-601 et seq.;

1 (vii) A plan that provides only indemnity for
 2 hospital confinement;

3 (viii) An accident-only plan;

4 (ix) A specified disease plan;

5 (x) A policy, contract, certificate, or agreement
 6 offered or issued by a healthcare insurer to provide, deliver, arrange for,
 7 pay for, or reimburse any of the costs of healthcare services, including
 8 pharmacy benefits, to an entity of the state;

9 (xi) A long-term care insurance plan; or

10 (xii) A healthcare provider self-insured plan;

11 (6) "Healthcare contract" means a contract entered into,
 12 materially amended, or renewed between a contracting entity and a healthcare
 13 provider for the delivery of healthcare services to an enrollee;

14 (7)(A) "Healthcare insurer" means an entity that is subject to
 15 state insurance regulation and provides health insurance in this state.

16 (B) "Healthcare insurer" includes:

17 (i) An insurance company;

18 (ii) A health maintenance organization;

19 (iii) A hospital and medical service corporation;

20 (iv) A risk-based provider organization; and

21 (v) Any sponsor of a nonfederal self-funded
 22 governmental plan in this state;

23 (8) "Healthcare provider" means a person or entity that is
 24 licensed, certified, or otherwise authorized by the laws of this state to
 25 administer healthcare services; and

26 (9) "Healthcare services" means services or goods provided for
 27 preventing, diagnosing, treating, alleviating, relieving, curing, or healing
 28 human illness, disease, condition, disability, or injury.

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 30 23-99-1603. Collection by healthcare insurer – Authority.

31 (a) A healthcare insurer shall:

32 (1) Pay a healthcare provider the full amount due for healthcare
 33 services under the terms of a health benefit plan, including any cost
 34 sharing;

35 (2) Have the sole responsibility for collecting cost sharing
 36 from an enrollee; and

1 (3) Upon request of the enrollee, collect cost-sharing
 2 throughout the plan year in increments defined by the healthcare insurer.

3 (b) A healthcare insurer shall not:

4 (1) Withhold any amount for cost sharing from the payment to a
 5 healthcare provider; or

6 (2) Require a healthcare provider to offer additional discounts
 7 to enrollees outside the terms of the healthcare contract between the
 8 healthcare insurer and the healthcare provider.

9 (c) Any value of a copay assistance coupon or similar assistance
 10 program shall be applied to an enrollee’s annual cost-sharing requirement and
 11 may be paid directly to the healthcare insurer on the enrollee’s behalf.

12 (d) A healthcare insurer shall not cancel the health benefit plan of
 13 an enrollee for failure to collect cost sharing.

14 (e) Any expenses of implementing this subchapter by a healthcare
 15 insurer shall not be used as justification to increase premiums or decrease
 16 payments to a healthcare provider.

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 18 23-99-1604. Violation of Trade Practices Act – Enforcement.

19 (a) A violation of this subchapter is a deceptive act, as defined by
 20 the Trade Practices Act, § 23-66-201 et seq.

21 (b) All remedies, penalties, and authority granted to the Insurance
 22 Commissioner under the Trade Practices Act, § 23-66-201 et seq., shall be
 23 available to the commissioner for the enforcement of this subchapter.

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 25 23-99-1605. Rules.

26 The Insurance Commissioner may promulgate rules necessary to implement
 27 and administer this subchapter.

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