

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: S3/28/11

A Bill

SENATE BILL 807

5 By: Senator J. Dismang
6

For An Act To Be Entitled

8 AN ACT TO AMEND ARKANSAS LAW CONCERNING ACCOUNTABLE
9 CARE ORGANIZATIONS; TO DECLARE AN EMERGENCY; AND FOR
10 OTHER PURPOSES.
11

Subtitle

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14 TO AMEND ARKANSAS LAW CONCERNING
15 ACCOUNTABLE CARE ORGANIZATIONS AND TO
16 DECLARE AN EMERGENCY.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 *SECTION 1. Arkansas Code Title 4, Chapter 29 is amended to add an*
22 *additional subchapter to read as follows:*

23 *4-29-501. Title.*

24 *This subchapter shall be known and may be cited as "The Accountable*
25 *Care Organization Act of 2011".*
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27 *4-29-502. Purpose.*

28 *The purpose of this subchapter is to:*

29 *(1) Require that accountable care organizations ensure that*
30 *medical decisions are not based on commercial interests but on professional*
31 *medical judgment that puts first the interests of patients; and*

32 *(2) Allow collaborative efforts between physicians, hospitals,*
33 *and other qualified providers to form accountable care organizations as long*
34 *as those arrangements ensure that health care decisions are made by health*
35 *care professionals.*
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1 4-29-503. Definitions.

2 As used in this subchapter:

3 (1) "Accountable care organization" means a group of health care
4 providers:

5 (A) That is intended to be associated with a defined
6 population of patients;

7 (B) That is accountable for the quality and cost of care
8 that is delivered to a defined population of patients; and

9 (C) Through which the health care providers share in
10 savings created by:

11 (i) Improving the quality of care to the defined
12 population of patients; and

13 (ii) Reducing the growth of the cost of care
14 delivered to the defined population;

15 (2) "Health care professional" means a health care practitioner
16 licensed by the State of Arkansas; and

17 (3) "Physician" means a doctor of medicine or doctor of
18 osteopathy licensed by the Arkansas State Medical Board whose primary
19 professional activities consist of direct patient care in the State of
20 Arkansas.

21
22 4-29-504. Organizational requirements.

23 (a) An accountable care organization operating in Arkansas shall be
24 formed as a legal business entity.

25 (b) If a nonphysician-owned business entity is part of an accountable
26 care organization, the accountable care organization shall be a separate
27 legal entity with a separate and independent governing body.

28 (c)(1) An accountable care organization operating in Arkansas shall
29 have a board of directors or similar governing body.

30 (2)(A)(i) At least two-thirds (2/3) of the board of directors or
31 similar governing body shall be composed of health care professionals:

32 (a) Participating in the accountable care
33 organization; and

34 (b) Elected by health care professionals
35 participating in the accountable care organization.

36 (ii)(a) Except as provided in subdivision

1 (c)(2)(A)(ii)(b) of this section, at least one-third (1/3) of the total
 2 members of the board of directors or similar governing body shall be
 3 physicians.

4 (b)(1) Subdivision (c)(2)(A)(ii)(a) of this
 5 section does not apply to an accountable care organization that exists for a
 6 purpose that does not include the provision of medical services from a
 7 physician.

8 (2) Subsection (c)(2)(A)(ii)(b)(1) of
 9 this section does not prohibit a physician from serving on the board of
 10 directors or similar governing body of an accountable care organization
 11 under (c)(2)(A)(ii)(b)(1).

12 (B) This section does not require or prohibit the
 13 inclusion of nonphysician health care professionals or hospitals in the
 14 remaining membership of the board of directors or similar governing body.

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 16 SECTION 2. Arkansas Code § 20-9-501 is amended to read as follows:
 17 20-9-501. Definition.

18 As used in this subchapter, "peer review committee" or "committee"
 19 means a committee of a hospital medical staff, ~~or~~ a committee of a state or
 20 local professional association, or a committee of an accountable care
 21 organization under § 4-29-501 et seq. that is formed to:

22 (1) Evaluate and improve the quality of health care rendered by
 23 providers of health services; or

24 (2) Determine that:

25 (A) Health services rendered were professionally indicated
 26 or were performed in compliance with the applicable standard of care; or

27 (B) The cost of health care rendered was considered
 28 reasonable by the providers of professional health services in the area.

29
 30 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
 31 General Assembly of the State of Arkansas that this act provides for
 32 accountable care organizations to be structured and operated in a manner that
 33 protects professional judgment and decision-making by health care
 34 professionals; that unless accountable care organizations are so organized,
 35 they will be unable to adequately protect patient interests; that protecting
 36 patient relationships and the professional judgment of health care

1 professionals will protect and improve patient care; and that the protections
2 for professional judgment and improvements to patient care provided under
3 this act should become effective as soon as possible to benefit the citizens
4 of the State of Arkansas. Therefore, an emergency is declared to exist and
5 this act being immediately necessary for the preservation of the public
6 peace, health, and safety shall become effective on:

7 (1) The date of its approval by the Governor;

8 (2) If the bill is neither approved nor vetoed by the Governor,
9 the expiration of the period of time during which the Governor may veto the
10 bill; or

11 (3) If the bill is vetoed by the Governor and the veto is
12 overridden, the date the last house overrides the veto.

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14 /s/J. Dismang
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