State of Arkansas
93rd General Assembly
Regular Session, 2021

By: Representatives Boyd, Pilkington
By: Senator Hester

For An Act To Be Entitled
AN ACT TO AMEND THE MEDICAID PROVIDER-LED ORGANIZED CARE ACT; TO PROHIBIT OWNERSHIP INTEREST IN MORE THAN ONE (1) RISK-BASED PROVIDER ORGANIZATION; AND FOR OTHER PURPOSES.

Subtitle
TO AMEND THE MEDICAID PROVIDER-LED ORGANIZED CARE ACT; AND TO PROHIBIT OWNERSHIP INTEREST IN MORE THAN ONE (1) RISK-BASED PROVIDER ORGANIZATION.

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

SECTION 1. Arkansas Code § 20-77-2706, concerning the characteristics and duties of risk-based provider organizations within the Medicaid Provider-Led Organized Care Act, is amended to add an additional subsection to read as follows:

(g)(1) On and after January 1, 2023, a carrier or participating provider shall not hold, own, or have a beneficial ownership in a related party, holding company, common stock holding, or any similar financial instrument or corporate structure, whether through a subsidiary, parent, or affiliate, with an ownership interest in more than one (1) risk-based provider organization holding a contract with the Arkansas Medicaid Program.

(2)(A) For risk-based provider organizations issued contracts with the Arkansas Medicaid Program before July 1, 2021, the carrier or participating provider having beneficial ownership in more than one (1) risk-
based provider organization as identified by the Insurance Commissioner shall
eliminate the conflicting ownership by beginning honest, good-faith
negotiations to divest ownership in one (1) or more risk-based organizations
through the purchase or redemption of the ownership interest causing the
conflict on commercially reasonable terms on or before January 1, 2023.

(B) The Insurance Commissioner may approve an ownership
transition plan that extends beyond January 1, 2023, regarding transferring
of funds between the parties to ensure compliance with this subsection.

(3) For risk-based provider organizations issued contracts with
the Arkansas Medicaid Program on or after July 1, 2021, the Insurance
Commissioner shall not issue a risk-based organization license to any
applicant organized in violation of this subsection.