

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

SENATE BILL 410

5 By: Senator Irvin
6 By: Representative M. Gray
7

For An Act To Be Entitled

9 AN ACT TO AMEND TITLE 23 OF THE ARKANSAS CODE TO
10 ENSURE THE STABILITY OF THE INSURANCE MARKET IN
11 ARKANSAS; TO PROMOTE ECONOMIC AND PERSONAL HEALTH,
12 PERSONAL INDEPENDENCE, AND OPPORTUNITY FOR ARKANSANS
13 THROUGH PROGRAM PLANNING AND INITIATIVES; TO CREATE
14 THE ARKANSAS HEALTH AND OPPORTUNITY FOR ME ACT OF
15 2021 AND THE ARKANSAS HEALTH AND OPPORTUNITY FOR ME
16 PROGRAM; AND FOR OTHER PURPOSES.
17

Subtitle

18
19
20 TO AMEND TITLE 23 OF THE ARKANSAS CODE TO
21 ENSURE THE STABILITY OF THE INSURANCE
22 MARKET IN ARKANSAS; AND TO CREATE THE
23 ARKANSAS HEALTH AND OPPORTUNITY FOR ME
24 ACT OF 2021 AND THE ARKANSAS HEALTH AND
25 OPPORTUNITY FOR ME PROGRAM.
26
27

28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
29

30 SECTION 1. Arkansas Code Title 23, Chapter 61, Subchapter 10 is
31 amended to read as follows:

32 Subchapter 10 – ~~Arkansas Works Act of 2016~~ Arkansas Health and Opportunity
33 for Me Act of 2021
34

35 23-61-1001. Title.

36 This subchapter shall be known and may be cited as the “~~Arkansas Works~~



1 ~~Act of 2016~~ Arkansas Health and Opportunity for Me Act of 2021".

2
3 23-61-1002. Legislative intent.

4 Notwithstanding any general or specific laws to the contrary, it is the
5 intent of the General Assembly for the ~~Arkansas Works Program~~ Arkansas Health
6 and Opportunity for Me Program to be a fiscally sustainable, cost-effective,
7 and opportunity-driven program that:

8 ~~(1) Empowers individuals to improve their economic security and~~
9 ~~achieve self-reliance;~~

10 ~~(2) Builds on private insurance market competition and value-~~
11 ~~based insurance purchasing models;~~

12 ~~(3) Strengthens the ability of employers to recruit and retain~~
13 ~~productive employees; and~~

14 ~~(4)~~(1) Achieves comprehensive and innovative healthcare reform
15 that reduces the rate of growth in state and federal obligations for
16 entitlement spending providing healthcare coverage to low-income adults in
17 Arkansas;

18 (2) Reduces the maternal and infant mortality rates in the state
19 through initiatives that promote healthy outcomes for eligible women with
20 high-risk pregnancies;

21 (3) Promotes the health, welfare, and stability of mothers and
22 their infants after birth through hospital-based community bridge
23 organizations;

24 (4) Encourages personal responsibility for individuals to
25 demonstrate that they value healthcare coverage and understand their roles
26 and obligations in maintaining private insurance coverage;

27 (5) Increases opportunities for full-time work and attainment of
28 economic independence, especially for certain young adults, to reduce long-
29 term poverty that is associated with additional risk for disease and
30 premature death;

31 (6) Addresses health-related social needs of Arkansans in rural
32 counties through hospital-based community bridge organizations and reduces
33 the additional risk for disease and premature death associated with living in
34 a rural county;

35 (7) Strengthens the financial stability of the critical access
36 hospitals and other small, rural hospitals; and

1 (8) Fills gaps in the continuum of care for individuals in need
 2 of services for serious mental illness and substance use disorders.

3
 4 23-61-1003. Definitions.

5 As used in this subchapter:

6 ~~(1) "Cost effective" means that the cost of covering employees~~
 7 ~~who are:~~

8 ~~(A) Program participants, either individually or together~~
 9 ~~within an employer health insurance coverage, is the same or less than the~~
 10 ~~cost of providing comparable coverage through individual qualified health~~
 11 ~~insurance plans; or~~

12 ~~(B) Eligible individuals who are not program participants,~~
 13 ~~either individually or together within an employer health insurance coverage,~~
 14 ~~is the same or less than the cost of providing comparable coverage through a~~
 15 ~~program authorized under Title XIX of the Social Security Act, 42 U.S.C. §~~
 16 ~~1396 et seq., as it existed on January 1, 2016;~~

17 (1) "Acute care hospital" means a hospital that:

18 (A) Is licensed by the Department of Health under § 20-9-
 19 201 et seq., as a general hospital or a surgery and general medical care
 20 hospital; and

21 (B) Is enrolled as a provider with the Arkansas Medicaid
 22 Program;

23 (2) "Birthing hospital" means a hospital in the state or in a
 24 border state that is:

25 (A) Licensed to provide specialized services for
 26 obstetrical care including labor, delivery, and labor delivery recovery; and

27 (B) Enrolled as a provided with the Arkansas Medicaid
 28 Program;

29 (3) "Community bridge organization" means an organization that
 30 is authorized by the Department of Human Services to participate in the
 31 economic independence initiative or the health improvement initiative to:

32 (A) Screen and refer Arkansans to resources available in
 33 their communities to address health-related social needs; and

34 (B) Assist eligible individuals identified as target
 35 populations most at risk of disease and premature death and who need a higher
 36 level of intervention to improve their health outcomes and succeed in meeting

1 their long-term goals to achieve independence, including economic
2 independence;

3 ~~(2)~~(4) “Cost sharing” means the portion of the cost of a covered
4 medical service that is required to be paid by or on behalf of an eligible
5 individual;

6 (5) "Critical access hospital" means an acute care hospital that
7 is:

8 (A) Designated by the Centers for Medicare and Medicaid
9 Services as a critical access hospital; and

10 (B) Is enrolled as a provider in the Arkansas Medicaid
11 Program;

12 (6) "Economic independence initiative" means an initiative
13 developed by the Department of Human Services that is designed to promote
14 economic stability by encouraging participation of program participants to
15 engage in full-time, full-year work, and to demonstrate the value of
16 enrollment in an individual qualified health insurance plan through
17 incentives and disincentives;

18 ~~(3)~~(7) “Eligible individual” means an individual who is in the
19 eligibility category created by section 1902(a)(10)(A)(i)(VIII) of the Social
20 Security Act, 42 U.S.C. § 1396a;

21 ~~(4)~~(8) “Employer health insurance coverage” means a health
22 insurance benefit plan offered by an employer or, as authorized by this
23 subchapter, an employer self-funded insurance plan governed by the Employee
24 Retirement Income Security Act of 1974, Pub. L. No. 93-406, as amended;

25 (9) "Health improvement initiative" means an initiative
26 developed by an individual qualified health insurance plan or the Department
27 of Human Services that is designed to encourage the participation of eligible
28 individuals in health assessments and wellness programs, including fitness
29 programs and smoking or tobacco cessation programs;

30 ~~(5)~~(10) “Health insurance benefit plan” means a policy,
31 contract, certificate, or agreement offered or issued by a health insurer to
32 provide, deliver, arrange for, pay for, or reimburse any of the costs of
33 healthcare services, but not including excepted benefits as defined under 42
34 U.S.C. § 300gg-91(c), as it existed on ~~January 1, 2016~~ January 1, 2021;

35 ~~(6)~~(11) “Health insurance marketplace” means the applicable
36 entities that were designed to help individuals, families, and businesses in

1 Arkansas shop for and select health insurance benefit plans in a way that
2 permits comparison of available plans based upon price, benefits, services,
3 and quality, and refers to either:

4 (A) The Arkansas Health Insurance Marketplace created
5 under the Arkansas Health Insurance Marketplace Act, § 23-61-801 et seq., or
6 a successor entity; or

7 (B) The federal health insurance marketplace or federal
8 health benefit exchange created under the Patient Protection and Affordable
9 Care Act, Pub. L. No. 111-148;

10 ~~(7)~~(12) "Health insurer" means an insurer authorized by the
11 State Insurance Department to provide health insurance or a health insurance
12 benefit plan in the State of Arkansas, including without limitation:

- 13 (A) An insurance company;
- 14 (B) A medical services plan;
- 15 (C) A hospital plan;
- 16 (D) A hospital medical service corporation;
- 17 (E) A health maintenance organization;
- 18 (F) A fraternal benefits society; ~~or~~
- 19 (G) Any other entity providing health insurance or a

20 health insurance benefit plan subject to state insurance regulation; or

21 (H) A risk-based provider organization licensed by the
22 Insurance Commissioner under § 20-77-2704;

23 (13) "Healthcare coverage" means coverage provided under this
24 subchapter through either an individual qualified health insurance plan, a
25 risk-based provider organization, employer health insurance coverage, or the
26 fee-for-service Arkansas Medicaid Program;

27 ~~(8)~~(14) "Individual qualified health insurance plan" means an
28 individual health insurance benefit plan offered by a health insurer ~~through~~
29 that participates in the health insurance marketplace to provide coverage in
30 Arkansas that covers only essential health benefits as defined by Arkansas
31 rule and 45 C.F.R. § 156.110 and any federal insurance regulations, as they
32 existed on ~~January 1, 2016~~ January 1, 2021;

33 (15) "Member" means a program participant who is enrolled in an
34 individual qualified health insurance plan;

35 ~~(9)~~(16) "Premium" means a monthly fee that is required to be
36 paid by or on behalf of an eligible individual to maintain some or all health

1 insurance benefits;

2 ~~(10)~~(17) "Program participant" means an eligible individual who:

3 (A) Is at least nineteen (19) years of age and no more
4 than sixty-four (64) years of age with an income that meets the income
5 eligibility standards established by rule of the Department of Human
6 Services;

7 (B) Is authenticated to be a United States citizen or
8 documented qualified alien according to the Personal Responsibility and Work
9 Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193;

10 (C) Is not eligible for Medicare or advanced premium tax
11 credits through the health insurance marketplace; and

12 (D) Is not determined ~~to be more effectively covered~~
13 ~~through the traditional Arkansas Medicaid Program, including without~~
14 ~~limitation, by the Department of Human Services to be medically frail or~~
15 eligible for services through a risk-based provider organization;

16 ~~(i) An individual who is medically frail; or~~

17 ~~(ii) An individual who has exceptional medical needs~~
18 ~~for whom coverage offered through the health insurance marketplace is~~
19 ~~determined to be impractical, overly complex, or would undermine continuity~~
20 ~~or effectiveness of care; and~~

21 ~~(11)(A) "Small group plan" means a health insurance benefit plan~~
22 ~~for a small employer that employed an average of at least two (2) but no more~~
23 ~~than fifty (50) employees during the preceding calendar year.~~

24 ~~(B) "Small group plan" does not include a grandfathered~~
25 ~~health insurance plan as defined in 45 C.F.R. § 147.140(a)(1)(i), as it~~
26 ~~existed on January 1, 2016~~

27 (18) "Risk-based provider organization" means the same as
28 defined in § 20-77-2703; and

29 (19) "Small rural hospital" means a critical access hospital or
30 a general hospital that:

31 (A) Is located in a rural area;

32 (B) Has fifty (50) or fewer staffed beds; and

33 (C) Is enrolled as a provider in the Arkansas Medicaid
34 Program.

35

36 23-61-1004. Administration ~~of Arkansas Works Program.~~

1 (a)(1) The Department of Human Services, in coordination with the
 2 State Insurance Department and other ~~necessary~~ state agencies, as necessary,
 3 shall:

4 (A) ~~Provide health insurance or medical assistance~~
 5 healthcare coverage under this subchapter to eligible individuals;

6 (B) Create and administer the ~~Arkansas Works Program~~
 7 Arkansas Health and Opportunity for Me Program by:†

8 ~~(C)(i) Submit and apply~~ Applying for any federal waivers,
 9 Medicaid state plan amendments, or other authority necessary to implement the
 10 ~~Arkansas Works Program~~ Arkansas Health and Opportunity for Me Program in a
 11 manner consistent with this subchapter; and

12 (ii) Administering the Arkansas Health and
 13 Opportunity for Me Program as approved by the Centers for Medicare and
 14 Medicaid Services;

15 (C)(i) Administer the economic independence initiative
 16 designed to reduce the short-term effects of the work penalty and the long-
 17 term effects of poverty on health outcomes among program participants through
 18 incentives and disincentives.

19 (ii) The Department of Human Services shall align
 20 the economic independence initiative with other state-administered work-
 21 related programs to the extent practicable;

22 (D) Screen, refer, and assist eligible individuals through
 23 community bridge organizations under agreements with the Department of Human
 24 Services;

25 ~~(D)(E)~~ Offer incentive benefits incentives to promote
 26 personal responsibility, individual health, and economic independence through
 27 individual qualified health insurance plans and community bridge
 28 organizations; and

29 ~~(E)(F)~~ Seek a waiver to eliminate reduce the period of
 30 retroactive eligibility for an eligible individual under this subchapter to
 31 thirty (30) days before the date of the application.

32 (2) The Governor shall request the assistance and involvement of
 33 other state agencies that he or she deems necessary for the implementation of
 34 the ~~Arkansas Works Program~~ Arkansas Health and Opportunity for Me Program.

35 (b) ~~Health insurance benefits~~ Healthcare coverage under this
 36 subchapter shall be provided through enrollment in:

1 (1) ~~Individual premium assistance for enrollment of Arkansas~~
 2 ~~Works Program participants in~~ An individual qualified health insurance plans
 3 plan through a health insurer; and

4 (2) ~~Supplemental benefits to incentivize personal responsibility~~
 5 A risk-based provider organization;

6 (3) An employer-sponsored health insurance coverage; or

7 (4) Fee-for-service Medicaid program.

8 (c) ~~The~~ Annually, ~~the~~ Department of Human Services, ~~the~~ State
 9 ~~Insurance Department, the Division of Workforce Services, and other necessary~~
 10 ~~state agencies shall promulgate and administer rules to implement the~~
 11 ~~Arkansas Works Program,~~ shall develop purchasing guidelines that:

12 (1) Describe which individual qualified health insurance plans
 13 are suitable for purchase in the next demonstration year, including without
 14 limitation:

15 (A) The level of the plan;

16 (B) The amounts of allowable premiums;

17 (C) Cost sharing;

18 (D) Auto-assignment methodology; and

19 (E) The total per-member-per-month enrollment range; and

20 (2) Ensure that:

21 (A) Payments to an individual qualified health insurance
 22 plan do not exceed budget neutrality limitations in each demonstration year;

23 (B) The total payments to all of the individual qualified
 24 health insurance plans offered by the health insurers for eligible
 25 individuals combined do not exceed budget targets for the Arkansas Health and
 26 Opportunity for Me Program in each demonstration year that the Department of
 27 Human Services may achieve by:

28 (i) Setting in advance an enrollment range to
 29 represent the minimum and a maximum total monthly number of enrollees into
 30 all individual qualified health insurance plans no later than April 30 of
 31 each demonstration year in order for the individual qualified health
 32 insurance plans to file rates for the following demonstration year;

33 (ii) Temporarily suspending auto-assignment into the
 34 individual qualified health insurance plans at any time in a demonstration
 35 year if necessary, to remain within the enrollment range and budget targets
 36 for the demonstration year; and

1 (iii) Developing a methodology for random auto-
2 assignment of program participants into the individual qualified health
3 insurance plans after a suspension period has ended;

4 (C) Individual qualified health insurance plans meet and
5 report quality and performance measurement targets set by the Department of
6 Human Services; and

7 (D) At least two (2) health insurers offer individual
8 qualified health insurance plans in each county in the state.

9 (d)(1) The Department of Human Services, the State Insurance
10 Department, and each of the individual qualified health insurance plans shall
11 enter into a memorandum of understanding that shall specify the duties and
12 obligations of each party in the operation of the Arkansas Health and
13 Opportunity for Me Program, including provisions necessary to effectuate the
14 purchasing guidelines and reporting requirements, at least thirty (30)
15 calendar days before the annual open enrollment period.

16 (2) If a memorandum of understanding is not fully executed with
17 a health insurer by January 1 of each new demonstration year, the Department
18 of Human Services shall suspend auto-assignment of new members to the health
19 insurers until the first day of the month after the new memorandum of
20 understanding is fully executed.

21 (3) The memorandum of understanding shall include financial
22 sanctions determined appropriate by the Department of Human Services that may
23 be applied if the Department of Human Services determines that an individual
24 qualified health insurance plan has not met the quality and performance
25 measurement targets or any other condition of the memorandum of
26 understanding.

27 (e) The Department of Human Services shall:

28 (1) Adopt premiums and cost sharing levels for individuals
29 enrolled in the Arkansas Health and Opportunity for Me Program, not to exceed
30 aggregate limits under 42 C.F.R. § 447.56;

31 (2)(A) Establish and maintain a process for premium payments,
32 advanced cost-sharing reduction payments, and reconciliation payments to
33 health insurers.

34 (B) The process described in subdivision (e)(2)(A) of this
35 section shall attribute any unpaid member liabilities as solely the financial
36 obligation of the individual member.

1 (C) The Department of Human Services shall not include any
 2 unpaid individual member obligation in any payment or financial
 3 reconciliation with health insurers or in a future premium rate; and

4 (3)(A) Calculate a total per-member-per-month amount for each
 5 individual qualified health insurance plan based on all payments made by the
 6 Department of Human Services on behalf of an individual enrolled in the
 7 individual qualified health insurance plan.

8 (B)(i) The amount described in subdivision (e)(3)(A) of
 9 this section shall include premium payments, advanced cost-sharing reduction
 10 payments for services provided to covered individuals during the
 11 demonstration year, and any other payments accruing to the budget neutrality
 12 target for plan-enrolled individuals made during the demonstration year and
 13 the member months for each demonstration year.

14 (ii) The total per-member-per-month upper limit is
 15 the budget neutrality per-member-per-month limit established in the approved
 16 demonstration for each demonstration year.

17 (C) If the Department of Human Services calculates that
 18 the total per-member-per-month for an individual qualified health insurance
 19 plan for that demonstration year exceeds the budget neutrality per-member-
 20 per-month limit for that demonstration year, the Department of Human Services
 21 shall not make any additional reconciliation payments to the health insurer
 22 for that individual qualified health insurance plan.

23 (D) If the Department of Human Services determines that
 24 the budget neutrality limit has been exceeded, the Department of Human
 25 Services shall recover the excess funds from the health insurer for that
 26 individual qualified health insurance plan.

27 ~~(d)(1)(f)(1) If the~~ Within thirty (30) days of a reduction in federal
 28 medical assistance percentages as described in this section for the Arkansas
 29 Health and Opportunity for Me Program are reduced to below ninety percent
 30 (90%), the Department of Human Services shall present to the Centers for
 31 Medicare and Medicaid Services a plan within thirty (30) days of the
 32 reduction to terminate the Arkansas Works Program Arkansas Health and
 33 Opportunity for Me Program and transition eligible individuals out of the
 34 Arkansas Works Program Arkansas Health and Opportunity for Me Program within
 35 one hundred twenty (120) days of a the reduction in any of the following
 36 federal medical assistance percentages:

1 ~~(A) Ninety five percent (95%) in the year 2017;~~
 2 ~~(B) Ninety four percent (94%) in the year 2018;~~
 3 ~~(C) Ninety three percent (93%) in the year 2019; and~~
 4 ~~(D) Ninety percent (90%) in the year 2020 or any year~~
 5 ~~after the year 2020.~~

6 (2) An eligible individual shall maintain coverage during the
 7 process to implement the plan to terminate the ~~Arkansas Works Program~~
 8 Arkansas Health and Opportunity for Me Program and the transition of eligible
 9 individuals out of the ~~Arkansas Works Program~~ Arkansas Health and Opportunity
 10 for Me Program.

11 ~~(e) State obligations for uncompensated care shall be tracked and~~
 12 ~~reported to identify potential incremental future decreases.~~

13 ~~(f) The Department of Human Services shall track the hospital~~
 14 ~~assessment fee imposed by § 20-77-1902 and report to the General Assembly~~
 15 ~~subsequent decreases based upon reduced uncompensated care.~~

16 ~~(g)(1) On a quarterly basis, the Department of Human Services, the~~
 17 ~~State Insurance Department, the Division of Workforce Services, and other~~
 18 ~~necessary state agencies shall report to the Legislative Council, or to the~~
 19 ~~Joint Budget Committee if the General Assembly is in session, available~~
 20 ~~information regarding the overall Arkansas Works Program, including without~~
 21 ~~limitation:~~

- 22 ~~(A) Eligibility and enrollment;~~
- 23 ~~(B) Utilization;~~
- 24 ~~(C) Premium and cost sharing reduction costs;~~
- 25 ~~(D) Health insurer participation and competition;~~
- 26 ~~(E) Avoided uncompensated care; and~~
- 27 ~~(F) Participation in job training and job search programs.~~

28 ~~(2)(A)(g)(1)~~ A health insurer ~~who~~ that is providing an
 29 individual qualified health insurance plan or employer health insurance
 30 coverage for an eligible individual shall submit claims and enrollment data
 31 to the ~~State Insurance Department~~ Department of Human Services to facilitate
 32 reporting required under this subchapter or other state or federally required
 33 reporting or evaluation activities.

34 ~~(B)(2)~~ A health insurer may utilize existing mechanisms
 35 with supplemental enrollment information to fulfill requirements under this
 36 subchapter, including without limitation the state's all-payer claims

1 database established under the Arkansas Healthcare Transparency Initiative
2 Act of 2015, § 23-61-901 et seq., for claims and enrollment data submission.

3 (h)(1) The Governor shall request a block grant under relevant federal
4 law and regulations for the funding of the Arkansas Medicaid Program as soon
5 as practical if the federal law or regulations change to allow the approval
6 of a block grant for this purpose.

7 (2) The Governor shall request a waiver under relevant federal
8 law and regulations for a work requirement as a condition of maintaining
9 coverage in the Arkansas Medicaid Program as soon as practical if the federal
10 law or regulations change to allow the approval of a waiver for this purpose.

11
12 23-61-1005. Requirements for eligible individuals.

13 ~~(a)(1) To promote health, wellness, and healthcare education about~~
14 ~~appropriate healthcare-seeking behaviors, an eligible individual shall~~
15 ~~receive a wellness visit from a primary care provider within:~~

16 ~~(A) The first year of enrollment in health insurance~~
17 ~~coverage for an eligible individual who is not a program participant and is~~
18 ~~enrolled in employer health insurance coverage; and~~

19 ~~(B) The first year of, and thereafter annually:~~

20 ~~(i) Enrollment in an individual qualified health~~
21 ~~insurance plan or employer health insurance coverage for a program~~
22 ~~participant; or~~

23 ~~(ii) Notice of eligibility determination for an~~
24 ~~eligible individual who is not a program participant and is not enrolled in~~
25 ~~employer health insurance coverage.~~

26 ~~(2) Failure to meet the requirement in subdivision (a)(1) of~~
27 ~~this section shall result in the loss of incentive benefits for a period of~~
28 ~~up to one (1) year, as incentive benefits are defined by the Department of~~
29 ~~Human Services in consultation with the State Insurance Department.~~

30 ~~(b)(1) An eligible individual who has up to fifty percent (50%) of the~~
31 ~~federal poverty level at the time of an eligibility determination shall be~~
32 ~~referred to the Division of Workforce Services to:~~

33 ~~(A) Incentivize and increase work and work training~~
34 ~~opportunities; and~~

35 ~~(B) Participate in job training and job search programs.~~

36 ~~(2) The Department of Human Services or its designee shall~~

1 ~~provide work training opportunities, outreach, and education about work and~~
 2 ~~work training opportunities through the Division of Workforce Services to all~~
 3 ~~eligible individuals regardless of income at the time of an eligibility~~
 4 ~~determination.~~

5 (a) An eligible individual is responsible for all applicable cost-
 6 sharing and premium payment requirements as determined by the Department of
 7 Human Services.

8 (b) An eligible individual may participate in a health improvement
 9 initiative, as developed and implemented by either the eligible individual's
 10 individual qualified health insurance plan or the department.

11 (c)(1)(A) An eligible individual who is determined by the department
 12 to meet the eligibility criteria for a risk-based provider organization due
 13 to serious mental illness or substance use disorder shall be enrolled in a
 14 risk-based provider organization under criteria established by the
 15 department.

16 (B) An eligible individual who is enrolled in a risk-based
 17 provider organization is exempt from the requirements of subsections (a) and
 18 (b) of this section.

19 (2)(A) An eligible individual who is determined by the
 20 department to be medically frail shall receive healthcare coverage through
 21 fee-for-service Medicaid.

22 (B) An eligible individual who is enrolled in the fee-for-
 23 service Medicaid program is exempt from the requirements of subsection (a) of
 24 this section.

25 ~~(e)~~(d) An eligible individual shall receive notice that:

26 (1) ~~The Arkansas Works Program~~ Arkansas Health and Opportunity
 27 for Me Program is not a perpetual federal or state right or a guaranteed
 28 entitlement;

29 (2) ~~The Arkansas Works Program~~ Arkansas Health and Opportunity
 30 for Me Program is subject to cancellation upon appropriate notice; ~~and~~

31 (3) ~~The Arkansas Works Program is not an entitlement program~~
 32 Enrollment in an individual qualified health insurance plan is not a right;
 33 and

34 (4) If the individual chooses not to participate or fails to
 35 meet participation goals in the economic independence initiative, the
 36 individual may lose incentives provided through enrollment in an individual

1 qualified health insurance plan or be unenrolled from the individual
2 qualified health insurance plan after notification by the department.

3
4 23-61-1006. Requirements for program participants.

5 ~~(a) A program participant who is twenty one (21) years of age or older~~
6 ~~shall enroll in employer health insurance coverage if the employer health~~
7 ~~insurance coverage meets the standards in § 23-61-1008(a).~~

8 ~~(b)(1) A program participant who has income of at least one hundred~~
9 ~~percent (100%) of the federal poverty level shall pay a premium of no more~~
10 ~~than two percent (2%) of the income to a health insurer.~~

11 ~~(2) Failure by the program participant to meet the requirement~~
12 ~~in subdivision (b)(1) of this section may result in:~~

13 ~~(A) The accrual of a debt to the State of Arkansas; and~~

14 ~~(B)(i) The loss of incentive benefits in the event of~~
15 ~~failure to pay premiums for three (3) consecutive months, as incentive~~
16 ~~benefits are defined by the Department of Human Services in consultation with~~
17 ~~the State Insurance Department.~~

18 ~~(ii) However, incentive benefits shall be restored~~
19 ~~if a program participant pays all premiums owed.~~

20 (a) The economic independence initiative applies to all program
21 participants in accordance with the implementation schedule of the Department
22 of Human Services.

23 (b) Incentives established by the department for participation in the
24 economic independence initiative and the health improvement initiative may
25 include, without limitation, the waiver of premium payments and cost-sharing
26 requirements as determined by the department for participation in one (1) or
27 more initiatives.

28 (c) Failure by a program participant to meet the cost-sharing and
29 premium payment requirement under § 23-61-1005(a) may result in the accrual
30 of a personal debt to the health insurer or provider.

31 (d)(1)(A) Failure by the program participant to meet the initiative
32 participation requirements of subsection (b) of this section may result in:

33 (i) Being unenrolled from the individual qualified
34 health insurance plan; or

35 (ii) The loss of incentives, as defined by the
36 department.

1 (B) However, an individual who is unenrolled shall not
2 lose Medicaid healthcare coverage based solely on disenrollment from the
3 individual qualified health insurance plan.

4 (2) The department shall develop and notify program participants
5 of the criteria for restoring eligibility for incentive benefits that were
6 removed as a result of the program participants' failure to meet the
7 initiative participation requirements of subsection (b) of this section.

8 (3)(A) A program participant who also meets the criteria of a
9 community bridge organization target population may qualify for additional
10 incentives by successfully completing the economic independence initiative
11 provided through a community bridge organization.

12 (B) If successfully completing the initiative results in
13 an increase in the program participant's income that exceeds the program's
14 financial eligibility limits, a program participant may receive, for a
15 specified period of time, financial assistance to pay:

16 (i) The individual's share of employer-sponsored
17 health insurance coverage not to exceed a limit determined by the department;
18 or

19 (ii) A share of the individual's cost sharing
20 obligation, as determined by the department, if the individual enrolls in a
21 health insurance benefit plan offered through the Arkansas Health Insurance
22 Marketplace.

23
24 23-61-1007. Insurance standards for individual qualified health
25 insurance plans.

26 (a) Insurance coverage for a ~~program participant~~ member enrolled in an
27 individual qualified health insurance plan shall be obtained, at a minimum,
28 through silver-level metallic plans as provided in 42 U.S.C. § 18022(d) and §
29 18071, as they existed on ~~January 1, 2016~~ January 1, 2021, that restrict out-
30 of-pocket costs to amounts that do not exceed applicable out-of-pocket cost
31 limitations.

32 ~~The Department of Human Services shall pay premiums and~~
33 ~~supplemental cost sharing reductions directly to a health insurer for a~~
34 ~~program participant enrolled in an individual qualified health insurance plan~~
35 As provided under § 23-61-1004(e)(2), health insurers shall track the
36 applicable premium payments and cost sharing collected from members to ensure

1 that the total amount of an individual's payments for premiums and cost
2 sharing does not exceed the aggregate cap imposed by 42 C.F.R. § 447.56.

3 ~~(c) All participating health insurers offering individual qualified~~
4 ~~health insurance plans in the health insurance marketplace~~ All health benefit
5 plans purchased by the Department of Human Services shall:

6 ~~(1)(A) Offer individual qualified health insurance plans~~
7 ~~conforming~~ Conform to the requirements of this section and applicable
8 insurance rules;

9 ~~(B)(2) Be certified by the State Insurance Department;~~
10 ~~The individual qualified health insurance plans shall be approved by the~~
11 ~~State Insurance Department; and~~

12 ~~(2)(3)(A) Maintain a medical-loss ratio of at least eighty~~
13 percent (80%) for an individual qualified health insurance plan as required
14 under 45 C.F.R. § 158.210(c), as it existed on ~~January 1, 2016~~ January 1,
15 2021, or rebate the difference to the Department of Human Services for
16 ~~program participants~~ members.

17 (B) However, the Department of Human Services may approve
18 up to one percent (1%) of revenues as community investments and as benefit
19 expenses in calculating the medical-loss ratio of a plan in accordance with
20 45 C.F.R. § 158.150;

21 (4) Develop:

22 (A) An annual quality assessment and performance
23 improvement strategic plan to be approved by the Department of Human Services
24 that aligns with federal quality improvement initiatives and quality and
25 reporting requirements of the Department of Human Services; and

26 (B) Targeted initiatives based on requirements established
27 by the Department of Human Services in consultation with the Department of
28 Health; and

29 (5) Make reports to the Department of Human Service and the
30 Department of Health regarding quality and performance metrics in a manner
31 and frequency established by a memorandum of understanding.

32 ~~(d) The State of Arkansas shall assure that at least two (2)~~
33 ~~individual qualified health insurance plans are offered in each county in the~~
34 ~~state.~~

35 ~~(e)(d)~~ A health insurer offering individual qualified health insurance
36 plans for ~~program participants~~ members shall participate in the Arkansas

1 Patient-Centered Medical Home Program, including:

2 (1) Attributing enrollees in individual qualified health
3 insurance plans, including ~~program participants~~ members, to a primary care
4 physician;

5 (2) Providing financial support to patient-centered medical
6 homes to meet practice transformation milestones; and

7 (3) Supplying clinical performance data to patient-centered
8 medical homes, including data to enable patient-centered medical homes to
9 assess the relative cost and quality of healthcare providers to whom patient-
10 centered medical homes refer patients.

11 (e)(1) Each individual qualified health insurance plan shall provide
12 for a health improvement initiative, subject to the review and approval of
13 the Department of Human Services, to provide incentives to its enrolled
14 members to participate in one (1) or more health improvement programs as
15 defined in § 23-61-1003(9).

16 (2)(A) The Department of Human Services shall work with health
17 insurers offering individual qualified health insurance plans to ensure the
18 economic independence initiative offered by the health insurer includes a
19 robust outreach and communications effort which targets specific health,
20 education, training, employment, and other opportunities appropriate for its
21 enrolled members.

22 (B) The outreach and communications effort shall recognize
23 that enrolled members receive information from multiple channels, including
24 without limitation:

25 (i) Community service organizations;

26 (ii) Email;

27 (iii) Radio;

28 (iv) Religious organizations;

29 (v) Social media;

30 (vi) Television;

31 (vii) Text message; and

32 (viii) Traditional methods such as newspaper or
33 mail.

34 (f) On or before ~~January 1, 2017~~ January 1, 2022, the State Insurance
35 Department and the Department of Human Services may implement through
36 certification requirements or rule, or both, the applicable provisions of

1 this section.

2

3 ~~23-61-1008. [Expired.]~~

4

5 23-61-1009. Sunset.

6 This subchapter shall expire on ~~December 31, 2021~~ December 31, 2026.

7

8 23-61-1010. Community bridge organizations.

9 (a) The Department of Human Services shall develop requirements and
10 qualifications for community bridge organizations to provide assistance to
11 one (1) or more of the following target populations

12 (1) Individuals who become pregnant with a high-risk pregnancy
13 and the child, throughout the pregnancy and up to twenty-four (24) months
14 after birth;

15 (2) Individuals in rural areas of the state in need of treatment
16 for serious mental illness or substance use disorder;

17 (3) Individuals who are young adults most at risk of poor health
18 due to long-term poverty and who meet criteria established by the Department
19 of Human Services, including without limitation the following:

20 (A) An individual between nineteen (19) and twenty-four
21 (24) years of age who has been previously placed under the supervision of
22 the:

23 (i) Division of Youth Services; or

24 (ii) Department of Corrections;

25 (B) An individual between nineteen (19) and twenty-seven
26 (27) years of age who has been previously placed under the supervision of the
27 Division of Children and Family Services; or

28 (C) An individual between nineteen (19) and thirty (30)
29 years of age who is a veteran; and

30 (4) Any other target populations identified by the Department of
31 Human Services.

32 (b)(1) Each community bridge organization shall be administered by a
33 hospital under conditions established by the Department of Human Services.

34 (2) A hospital is eligible to serve eligible individuals under
35 subdivision (a)(1) of this section if the hospital:

36 (A) Is a birthing hospital;

1 (B) Provides or contracts with a qualified entity for the
2 provision of a federally recognized evidence-based home visitation model to a
3 woman during pregnancy and to the woman and child for a period of up to
4 twenty-four (24) months after birth; and

5 (C) Meets any additional criteria established by the
6 Department of Human Services.

7 (3)(A) A hospital is eligible to serve eligible individuals
8 under subdivision (a)(2) of this section if the hospital:

9 (i) Is a small rural hospital;

10 (ii) Screens all Arkansans who seek services at the
11 hospital for health-related social needs;

12 (iii) Refers Arkansans identified as having health-
13 related social needs for social services available in the community;

14 (iv) Employs qualified staff to assist eligible
15 individuals in need of treatment for serious mental illness or substance use
16 disorder in accessing medical treatment from healthcare professionals and
17 supports to meet health-related social needs;

18 (v) Enrolls with Arkansas Medicaid Program as an
19 acute crisis unit provider; and

20 (vi) Meets any additional criteria established by
21 the Department of Human Services.

22 (B) The hospital may use funding available through the
23 Department of Human Services to improve the hospital's ability to deliver
24 care through coordination with other healthcare professionals and with the
25 local emergency response system that may include training of personnel and
26 improvements in equipment to support the delivery of medical services through
27 telemedicine.

28 (4) A hospital is eligible to serve eligible individuals under
29 subdivision (a)(3) of this section if the hospital:

30 (A) Is an acute care hospital;

31 (B) Administers or contracts for the administration
32 programs using proven models, as defined by the Department of Human Services,
33 to provide employment, training, education, or other social supports; and

34 (C) Meets any additional criteria established by the
35 Department of Human Services.

36 (c) An individual is not required or entitled to enroll in a community

1 bridge organization as a condition of Medicaid eligibility.

2 (d) A hospital is not:

3 (1) Required to apply to become a community bridge organization;

4 or

5 (2) Entitled to be selected as a community bridge organization.

6
7 23-61-1011. Health and Economic Outcomes Accountability Oversight
8 Advisory Panel.

9 (a) There is created the Health and Economic Outcomes Accountability
10 Oversight Advisory Panel.

11 (b) The advisory panel shall be composed of the following members:

12 (1) The following members of the General Assembly:

13 (A) The Chair of the Senate Committee on Public Health,
14 Welfare, and Labor;

15 (B) The Chair of the House Committee on Public Health,
16 Welfare, and Labor;

17 (C) The Chair of the Senate Committee on Education;

18 (D) The Chair of the House Committee on Education;

19 (E) The Chair of the Senate Committee on Insurance and
20 Commerce;

21 (F) The Chair of the House Committee on Insurance and
22 Commerce;

23 (G) An at-large member of the Senate; and

24 (E) An at-large member of the House of Representatives;

25 (2) The Secretary of the Department of Human Services;

26 (3) The Arkansas Surgeon General;

27 (4) The Insurance Commissioner;

28 (5) The heads of the following executive branch agencies or
29 their designees;

30 (A) Department of Health;

31 (B) Department of Education;

32 (C) Department of Corrections;

33 (D) Department of Commerce; and

34 (E) Department of Finance and Administration;

35 (6) The Director of the Arkansas Minority Health Commission; and

36 (7)(A) Three (3) community members who represent health,

1 business, or education and have demonstrated a commitment to improving the
2 health and welfare of Arkansans, appointed as follows;

3 (i) One (1) member shall be appointed by and serve
4 at the will of the Governor;

5 (ii) One (1) member shall be appointed by and serve
6 at the will of the President Pro Tempore of the Senate; and

7 (iii) One (1) member shall be appointed by and serve
8 at the will of the Speaker of the House of Representatives.

9 (B) Members serving under subdivision (b)(6)(A) of this
10 section may receive mileage reimbursement.

11 (c)(1) The Secretary of the Department of Human Services and one (1)
12 legislative member shall serve as the co-chairs of the Health and Economic
13 Outcomes Accountability Oversight Advisory Panel and shall convene meetings
14 quarterly of the advisory panel.

15 (2) The legislative member who serves as the co-chair shall be
16 selected by majority vote of all legislative members serving on the advisory
17 panel.

18 (d)(1) The advisory panel shall review, make nonbinding
19 recommendations, and provide advice concerning the proposed quality
20 performance targets presented by the Department of Human Services for each
21 participating individual qualified health insurance plan.

22 (2) The advisory panel shall deliver all nonbinding
23 recommendations to the Secretary of the Department of Human Services.

24 (3)(A) The Secretary of the Department of Human Services, in
25 consultation with the State Medicaid Director, shall determine all quality
26 performance targets for each participating individual qualified health
27 insurance plan.

28 (B) The Secretary may consider the nonbinding
29 recommendations of the advisory panel when determining quality performance
30 targets for each participating individual qualified health insurance plan.

31 (e) The advisory panel shall review:

32 (1) The annual quality assessment and performance improvement
33 strategic plan for each participating individual qualified health insurance
34 plan;

35 (2) Financial performance of the Arkansas Health and Opportunity
36 for Me Program against the budget neutrality targets in each demonstration

1 year;

2 (3) Quarterly reports prepared by the Department of Human
3 Services, in consultation with the Department of Commerce, on progress
4 towards meeting economic independence outcomes and health improvement
5 outcomes, including without limitation:

6 (A) Community bridge organization outcomes;

7 (B) Individual qualified health insurance plan health
8 improvement outcomes;

9 (C) Economic independence initiative outcomes; and

10 (D) Any sanctions or penalties assessed on participating
11 Individual qualified health insurance plans;

12 (4) Quarterly reports prepared by the Department of Human
13 Services on the Arkansas Health and Opportunity for Me Program, including
14 without limitation:

15 (A) Eligibility and enrollment;

16 (B) Utilization;

17 (C) Premium and cost-sharing reduction costs; and

18 (D) Health insurer participation and competition; and

19 (5) Any other topics as requested by the Secretary of the
20 Department of Human Services.

21 (f)(1) The advisory panel may furnish advice, gather information, make
22 recommendations, and publish reports.

23 (2) However, the advisory panel shall not administer any portion
24 of the Arkansas Health and Opportunity for Me Program or set policy.

25 (g) The Department of Human Services shall provide administrative
26 support necessary for the advisory panel to perform its duties.

27 (h) The Department of Human Services shall produce and submit a
28 quarterly report incorporating the advisory panel's findings to the President
29 Pro Tempore of the Senate, the Speaker of the House of Representatives, and
30 the public on the progress in health and economic improvement resulting from
31 the Arkansas Health and Opportunity for Me Program, including without
32 limitation:

33 (1) Eligibility and enrollment;

34 (2) Participation in and the impact of the economic independence
35 initiative and the health improvement initiative of the eligible individuals,
36 health insurers, and community bridge organizations;

- 1 (3) Utilization of medical services;
 2 (4) Premium and cost-sharing reduction costs; and
 3 (5) Health insurer participation and completion.

4
 5 20-61-1012. Rules.

6 The Department of Human Services shall adopt rules necessary to
 7 implement this subchapter.

8
 9 SECTION 2. Arkansas Code § 19-5-984(b)(2)(D), concerning the Division
 10 of Workforce Services Special Fund, is amended to read as follows:

11 (D) ~~The Arkansas Works Act of 2016~~ Arkansas Health and
 12 Opportunity for Me Act of 2021, § 23-61-1001 et seq., or its successor; and

13
 14 SECTION 3. Arkansas Code § 19-5-1146 is amended to read as follows:

15 19-5-1146. ~~Arkansas Works Program~~ Arkansas Health and Opportunity for
 16 Me Program Trust Fund.

17 (a) There is created on the books of the Treasurer of State, the
 18 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
 19 be known as the "~~Arkansas Works Program~~ Arkansas Health and Opportunity for
 20 Me Program Trust Fund".

21 (b) The fund shall consist of:

22 (1) Moneys saved and accrued under the ~~Arkansas Works Act of~~
 23 ~~2016~~ Arkansas Health and Opportunity for Me Act of 2021, § 23-61-1001 et
 24 seq., including without limitation:

25 (A) Increases in premium tax collections; and

26 (B) Other spending reductions resulting from the ~~Arkansas~~
 27 ~~Works Act of 2016~~ Arkansas Health and Opportunity for Me Act of 2021, § 23-
 28 61-1001 et seq.; and

29 (2) Other revenues and funds authorized by law.

30 (c) The Department of Human Services shall use the fund to pay for
 31 future obligations under the ~~Arkansas Works Program~~ Arkansas Health and
 32 Opportunity for Me Program created by the ~~Arkansas Works Act of 2016~~ Arkansas
 33 Health and Opportunity for Me Act of 2021, § 23-61-1001 et seq.

34
 35 SECTION 4. Arkansas Code § 23-61-803(h), concerning the creation of
 36 the Arkansas Health Insurance Marketplace, is amended to read as follows:

1 (h) The State Insurance Department and any eligible entity under
 2 subdivision ~~(e)(1)~~ (e)(2) of this section shall provide claims and other plan
 3 and enrollment data to the Department of Human Services upon request to:

4 (1) Facilitate compliance with reporting requirements under
 5 state and federal law; and

6 (2) Assess the performance of the ~~Arkansas Works Program~~
 7 Arkansas Health and Opportunity for Me Program established by the ~~Arkansas~~
 8 ~~Works Act of 2016~~ Arkansas Health and Opportunity for Me Act of 2021, § 23-
 9 61-1001 et seq., including without limitation the program's quality, cost,
 10 and consumer access.

11
 12 SECTION 5. Arkansas Code § 23-79-1601(2)(A), concerning the definition
 13 of "health benefit plan" regarding coverage provided through telemedicine, is
 14 amended to read as follows:

15 (2)(A) "Health benefit plan" means:

16 (i) An individual, blanket, or group plan, policy,
 17 or contract for healthcare services issued or delivered by an insurer, health
 18 maintenance organization, hospital medical service corporation, or self-
 19 insured governmental or church plan in this state; and

20 (ii) Any health benefit program receiving state or
 21 federal appropriations from the State of Arkansas, including the Arkansas
 22 Medicaid Program, ~~the Health Care Independence Program [expired], commonly~~
 23 ~~referred to as the "Private Option", and the Arkansas Works Program~~ Arkansas
 24 Health and Opportunity for Me Program, or any successor program.

25
 26 SECTION 6. Arkansas Code § 23-79-1801(1)(A), concerning the definition
 27 of "health benefit plan" regarding coverage for newborn screening for spinal
 28 muscular atrophy, is amended to read as follows:

29 (1)(A) "Health benefit plan" means:

30 (i) An individual, blanket, or group plan, policy,
 31 or contract for healthcare services issued or delivered by an insurer, health
 32 maintenance organization, hospital medical service corporation, or self-
 33 insured governmental or church plan in this state; and

34 (ii) Any health benefit program receiving state or
 35 federal appropriations from the State of Arkansas, including the Arkansas
 36 Medicaid Program, ~~the Health Care Independence Program [expired], commonly~~

1 ~~referred to as the "Private Option", and the Arkansas Works Program~~ Arkansas
2 Health and Opportunity for Me Program, or any successor program.

3
4 SECTION 7. Arkansas Code § 26-57-604(a)(1)(B)(ii), concerning the
5 remittance of the insurance premium tax, is amended to read as follows:

6 (ii) However, the credit shall not be applied as an
7 offset against the premium tax on collections resulting from an eligible
8 individual insured under the ~~Health Care Independence Act of 2013, § 20-77-~~
9 ~~2401 et seq. [repealed], the Arkansas Works Act of 2016~~ Arkansas Health and
10 Opportunity for Me Act of 2021, § 23-61-1001 et seq., the Arkansas Health
11 Insurance Marketplace Act, § 23-61-801 et seq., or individual qualified
12 health insurance plans, including without limitation stand-alone dental
13 plans, issued through the health insurance marketplace as defined by § 23-61-
14 1003.

15
16 SECTION 8. Arkansas Code § 26-57-610(b)(2), concerning the disposition
17 of the insurance premium tax, is amended to read as follows:

18 (2) The taxes based on premiums collected under the ~~Health Care~~
19 ~~Independence Act of 2013, § 20-77-2401 et seq. [repealed], the Arkansas Works~~
20 ~~Act of 2016~~ Arkansas Health and Opportunity for Me Act of 2021, § 23-61-1001
21 et seq., the Arkansas Health Insurance Marketplace Act, § 23-61-801 et seq.,
22 or individual qualified health insurance plans, including without limitation
23 stand-alone dental plans, issued through the health insurance marketplace as
24 defined by § 23-61-1003 shall be:

25 (A) At the time of deposit, separately certified by the
26 commissioner to the Treasurer of State for classification and distribution
27 under this section; and

28 (B) Transferred to the ~~Arkansas Works Program~~ Arkansas
29 Health and Opportunity for Me Program Trust Fund and used as required by the
30 ~~Arkansas Works Program~~ Arkansas Health and Opportunity for Me Program Trust
31 Fund;

32
33 SECTION 9. EFFECTIVE DATE.

34 This act is effective on and after January 1, 2022.