Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas

93rd General Assembly

Regular Session, 2021

By: Senator Irvin

By: Representative M. Gray

For An Act To Be Entitled

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

Subtitle

TO AMEND TITLE 23 OF THE ARKANSAS CODE TO
ENSURE THE STABILITY OF THE INSURANCE
MARKET IN ARKANSAS; AND TO CREATE THE
ARKANSAS HEALTH AND OPPORTUNITY FOR ME
ACT OF 2021 AND THE ARKANSAS HEALTH AND
OPPORTUNITY FOR ME PROGRAM.

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

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

Subchapter 10 – Arkansas Works Act of 2016 Arkansas Health and Opportunity
for Me Act of 2021

23-61-1001. Title.

This subchapter shall be known and may be cited as the “Arkansas Works
Act of 2016 Arkansas Health and Opportunity for Me Act of 2021”.

23-61-1002. Legislative intent.
Notwithstanding any general or specific laws to the contrary, it is the intent of the General Assembly for the Arkansas Works Program Arkansas Health and Opportunity for Me Program to be a fiscally sustainable, cost-effective, and opportunity-driven program that:

1. Empowers individuals to improve their economic security and achieve self-reliance;
2. Builds on private insurance market competition and value-based insurance purchasing models;
3. Strengthens the ability of employers to recruit and retain productive employees; and
4. Achieves comprehensive and innovative healthcare reform that reduces the rate of growth in state and federal obligations for entitlement spending providing healthcare coverage to low-income adults in Arkansas;
5. Reduces the maternal and infant mortality rates in the state through initiatives that promote healthy outcomes for eligible women with high-risk pregnancies;
6. Promotes the health, welfare, and stability of mothers and their infants after birth through hospital-based community bridge organizations;
7. Encourages personal responsibility for individuals to demonstrate that they value healthcare coverage and understand their roles and obligations in maintaining private insurance coverage;
8. Increases opportunities for full-time work and attainment of economic independence, especially for certain young adults, to reduce long-term poverty that is associated with additional risk for disease and premature death;
9. Addresses health-related social needs of Arkansans in rural counties through hospital-based community bridge organizations and reduces the additional risk for disease and premature death associated with living in a rural county;
10. Strengthens the financial stability of the critical access hospitals and other small, rural hospitals; and
(8) Fills gaps in the continuum of care for individuals in need of services for serious mental illness and substance use disorders.


As used in this subchapter:

(1) “Cost-effective” means that the cost of covering employees who are:

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

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

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

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

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

(2) "Birthing hospital" means a hospital in this state or in a border state that:

(A) Is licensed as a general hospital;

(B) Provides obstetrics services; and

(C) Is enrolled as a provider with the Arkansas Medicaid Program;

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

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

(B) Assist eligible individuals identified as target populations most at risk of disease and premature death and who need a higher level of intervention to improve their health outcomes and succeed in meeting
their long-term goals to achieve independence, including economic
independence;

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

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

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

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

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

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

(8) “Employer health insurance coverage” means a health
insurance benefit plan offered by an employer or, as authorized by this
subchapter, an employer self-funded insurance plan governed by the Employee

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

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

(11) “Health insurance marketplace” means the applicable
entities that were designed to help individuals, families, and businesses in
Arkansas shop for and select health insurance benefit plans in a way that permits comparison of available plans based upon price, benefits, services, and quality, and refers to either:

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

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

"Health insurer" means an insurer authorized by the State Insurance Department to provide health insurance or a health insurance benefit plan in the State of Arkansas, including without limitation:

(A) An insurance company;

(B) A medical services plan;

(C) A hospital plan;

(D) A hospital medical service corporation;

(E) A health maintenance organization;

(F) A fraternal benefits society; or

(G) Any other entity providing health insurance or a health insurance benefit plan subject to state insurance regulation; or

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

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

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

"Member" means a program participant who is enrolled in an individual qualified health insurance plan;

"Premium" means a monthly fee that is required to be paid by or on behalf of an eligible individual to maintain some or all health
insurance benefits;

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

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

(B) Is authenticated to be a United States citizen or
documented qualified alien according to the Personal Responsibility and Work

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

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

(i) An individual who is medically frail; or

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

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

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

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

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

(A) Is located in a rural area;

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

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

23-61-1004. Administration of Arkansas Works Program.
(a)(1) The Department of Human Services, in coordination with the State Insurance Department and other necessary state agencies, as necessary, shall:

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

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

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

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

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

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

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

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

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

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

(b) Health insurance benefits Healthcare coverage under this subchapter shall be provided through enrollment in:
(1) Individual premium assistance for enrollment of Arkansas Works Program participants in an individual qualified health insurance plan through a health insurer; and

(2) Supplemental benefits to incentivize personal responsibility

A risk-based provider organization;

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

(4) Fee-for-service Medicaid program.

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

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

(A) The level of the plan;

(B) The amounts of allowable premiums;

(C) Cost sharing;

(D) Auto-assignment methodology; and

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

(2) Ensure that:

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

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

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

(ii) Temporarily suspending auto-assignment into the individual qualified health insurance plans at any time in a demonstration year if necessary, to remain within the enrollment range and budget targets for the demonstration year; and
(iii) Developing a methodology for random auto-assignment of program participants into the individual qualified health insurance plans after a suspension period has ended;

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

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

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

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

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

(4)(A) If the Department of Human Services determines that the individual qualified health insurance plans have not met the quality and health performance targets for two (2) years, the Department of Human Services shall develop additional reforms to achieve the quality and health performance targets.

(B) If legislative action is required to implement the additional reforms described in subdivision (d)(4)(A) of this section, the Department of Human Services may take the action to the Legislative Council or the Executive Subcommittee of the Legislative Council for immediate action.
(e) The Department of Human Services shall:

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

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

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

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

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

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

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

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

(D) If the Department of Human Services determines that the budget neutrality limit has been exceeded, the Department of Human Services shall recover the excess funds from the health insurer for that individual qualified health insurance plan.
(d)(1)(f)(1) If the within thirty (30) days of a reduction in federal medical assistance percentages as described in this section for the Arkansas Health and Opportunity for Me Program are reduced to below ninety percent (90%), the Department of Human Services shall present to the Centers for Medicare and Medicaid Services a plan within thirty (30) days of the reduction to terminate the Arkansas Works Program Arkansas Health and Opportunity for Me Program and transition eligible individuals out of the Arkansas Works Program Arkansas Health and Opportunity for Me Program within one hundred twenty (120) days of a the reduction in any of the following federal medical assistance percentages:

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

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

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

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

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

(A) Eligibility and enrollment;
(B) Utilization;
(C) Premium and cost-sharing reduction costs;
(D) Health insurer participation and competition;
(E) Avoided uncompensated care; and
(P) Participation in job training and job search programs.

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

(2)(B) A health insurer may utilize existing mechanisms with supplemental enrollment information to fulfill requirements under this subchapter, including without limitation the state’s all-payer claims database established under the Arkansas Healthcare Transparency Initiative Act of 2015, § 23-61-901 et seq., for claims and enrollment data submission.

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

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

23-61-1005. Requirements for eligible individuals.

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

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

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

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

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

(2) Failure to meet the requirement in subdivision (a)(1) of
this section shall result in the loss of incentive benefits for a period of
up to one (1) year, as incentive benefits are defined by the Department of
Human Services in consultation with the State Insurance Department.
(b)(1) An eligible individual who has up to fifty percent (50%) of the
federal poverty level at the time of an eligibility determination shall be
referred to the Division of Workforce Services to:
(A) Incentivize and increase work and work training
opportunities; and
(B) Participate in job training and job search programs.
(2) The Department of Human Services or its designee shall
provide work training opportunities, outreach, and education about work and
work training opportunities through the Division of Workforce Services to all
eligible individuals regardless of income at the time of an eligibility
determination.
(a) An eligible individual is responsible for all applicable cost-
sharing and premium payment requirements as determined by the Department of
Human Services.
(b) An eligible individual may participate in a health improvement
initiative, as developed and implemented by either the eligible individual's
individual qualified health insurance plan or the department.
(c)(1)(A) An eligible individual who is determined by the department
to meet the eligibility criteria for a risk-based provider organization due
to serious mental illness or substance use disorder shall be enrolled in a
risk-based provider organization under criteria established by the
department.
(B) An eligible individual who is enrolled in a risk-based
provider organization is exempt from the requirements of subsections (a) and
(b) of this section.
(2)(A) An eligible individual who is determined by the
department to be medically frail shall receive healthcare coverage through
fee-for-service Medicaid.
(B) An eligible individual who is enrolled in the fee-for-
service Medicaid program is exempt from the requirements of subsection (a) of
this section.
(d) An eligible individual shall receive notice that:
(1) The Arkansas Works Program Arkansas Health and Opportunity
for Me Program is not a perpetual federal or state right or a guaranteed
entitlement;

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

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

(4) If the individual chooses not to participate or fails to
meet participation goals in the economic independence initiative, the
individual may lose incentives provided through enrollment in an individual
qualified health insurance plan or be unenrolled from the individual
qualified health insurance plan after notification by the department.

23-61-1006. Requirements for program participants.
(a) A program participant who is twenty-one (21) years of age or older
shall enroll in employer health insurance coverage if the employer health
insurance coverage meets the standards in § 23-61-1008(a).
(b)(1) A program participant who has income of at least one hundred
percent (100%) of the federal poverty level shall pay a premium of no more
than two percent (2%) of the income to a health insurer.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The Department of Human Services shall pay premiums and supplemental cost-sharing reductions directly to a health insurer for a program participant enrolled in an individual qualified health insurance plan As provided under § 23-61-1004(e)(2), health insurers shall track the applicable premium payments and cost sharing collected from members to ensure that the total amount of an individual’s payments for premiums and cost sharing does not exceed the aggregate cap imposed by 42 C.F.R. § 447.56.

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

(1)(A) Offer individual qualified health insurance plans conforming Conform to the requirements of this section and applicable insurance rules.

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

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

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

(4) Develop:

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

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

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

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

(e)(d) A health insurer offering individual qualified health insurance plans for program participants shall participate in the Arkansas Patient-Centered Medical Home Program, including:

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

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

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

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

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

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

(i) Community service organizations;

(ii) Local community outreach partners;
(iii) Email;
(iv) Radio;
(v) Religious organizations;
(vi) Social media;
(vii) Television;
(viii) Text message; and
(ix) Traditional methods such as newspaper or mail.

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

23-61-1008. [Expired.]

23-61-1009. Sunset.
This subchapter shall expire on December 31, 2021 December 31, 2026.

23-61-1010. Community bridge organizations.
(a) The Department of Human Services shall develop requirements and qualifications for community bridge organizations to provide assistance to one (1) or more of the following target populations

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

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

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

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

   (i) Division of Youth Services; or
   (ii) Department of Corrections;

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

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

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

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

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

(A) Is a birthing hospital;

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

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

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

(i) Is a small rural hospital;

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

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

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

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

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

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

(4) A hospital is eligible to serve eligible individuals under
subdivision (a)(3) of this section if the hospital:
(A) Is an acute care hospital;
(B) Administers or contracts for the administration
programs using proven models, as defined by the Department of Human Services,
to provide employment, training, education, or other social supports; and
(C) Meets any additional criteria established by the
Department of Human Services.
(c) An individual is not required or entitled to enroll in a community
bridge organization as a condition of Medicaid eligibility.
(d) A hospital is not:
(1) Required to apply to become a community bridge organization;
or
(2) Entitled to be selected as a community bridge organization.

23-61-1011. Health and Economic Outcomes Accountability Oversight
Advisory Panel.
(a) There is created the Health and Economic Outcomes Accountability
Oversight Advisory Panel.
(b) The advisory panel shall be composed of the following members:
(1) The following members of the General Assembly:
(A) The Chair of the Senate Committee on Public Health,
Welfare, and Labor;
(B) The Chair of the House Committee on Public Health,
Welfare, and Labor;
(C) The Chair of the Senate Committee on Education;
(D) The Chair of the House Committee on Education;
(E) The Chair of the Senate Committee on Insurance and
Commerce;
(F) The Chair of the House Committee on Insurance and
Commerce;
(G) An at-large member of the Senate appointed by the
President Pro Tempore of the Senate;
(H) An at-large member of the House of Representatives
appointed by the Speaker of the House of Representatives;
(I) An at-large member of the Senate appointed by the minority leader of the Senate; and

(J) An at-large member of the House of Representatives appointed by the minority leader of the House of Representatives;

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

(3) The Arkansas Surgeon General;

(4) The Insurance Commissioner;

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

(A) Department of Health;

(B) Department of Education;

(C) Department of Corrections;

(D) Department of Commerce; and

(E) Department of Finance and Administration;

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

(7)(A) Three (3) community members who represent health, business, or education, who reflect the broad racial and geographic diversity in the state, and who have demonstrated a commitment to improving the health and welfare of Arkansans, appointed as follows;

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

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

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

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

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

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

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

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

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

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

(e) The advisory panel shall review:

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

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

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

(A) Community bridge organization outcomes;

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

(C) Economic independence initiative outcomes; and

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

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

(A) Eligibility and enrollment;

(B) Utilization;

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

(D) Health insurer participation and competition; and

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

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

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

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

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

(1) Eligibility and enrollment;

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

(3) Utilization of medical services;

(4) Premium and cost-sharing reduction costs; and

(5) Health insurer participation and completion.

20-61-1012. Rules.

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

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

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

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


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

(b) The fund shall consist of:

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

(A) Increases in premium tax collections; and

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

(2) Other revenues and funds authorized by law.

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

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

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

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

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

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

(2)(A) “Health benefit plan” means:

(i) An individual, blanket, or group plan, policy, or contract for healthcare services issued or delivered by an insurer, health maintenance organization, hospital medical service corporation, or self-insured governmental or church plan in this state; and
(ii) Any health benefit program receiving state or federal appropriations from the State of Arkansas, including the Arkansas Medicaid Program, the Health Care Independence Program [expired], commonly referred to as the “Private Option”, and the Arkansas Works Program Arkansas Health and Opportunity for Me Program, or any successor program.

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

(1)(A) “Health benefit plan” means:

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

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

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

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

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

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

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

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

SECTION 9. EFFECTIVE DATE.

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

/s/Irvin