

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: H3/14/01

A Bill

Act 1246 of 2001
HOUSE BILL 2399

5 By: Representative Teague
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For An Act To Be Entitled

9 AN ACT TO AMEND VARIOUS SECTIONS OF THE ARKANSAS
10 CODE CONCERNING THE ARKANSAS COMPREHENSIVE HEALTH
11 INSURANCE POOL; AND FOR OTHER PURPOSES.
12

Subtitle

13 AN ACT TO AMEND VARIOUS SECTIONS OF THE
14 ARKANSAS CODE CONCERNING THE ARKANSAS
15 COMPREHENSIVE HEALTH INSURANCE POOL.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code 23-79-504(b)(3), concerning the directors of
22 the Arkansas Comprehensive Health Insurance Pool, is amended to read as
23 follows:

24 (3) The board shall consist of the following seven (7) members
25 to be appointed by the Insurance Commissioner:

26 (A) Two (2) current or former representatives of ~~domestic~~
27 insurance companies licensed to do business in the State of Arkansas;

28 (B) Two (2) current or former representatives of health
29 maintenance organizations licensed to do business in the State of Arkansas;

30 (C) One (1) member of a health-related profession licensed
31 in the State of Arkansas;

32 (D) One (1) member from the general public who is not
33 associated with the medical profession, a hospital, or an insurer; and

34 (E) One (1) member to represent a group considered to be
35 "uninsurable".
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1 SECTION 2. Arkansas Code 23-79-507(b), concerning additional sources
2 of revenue for the Arkansas Comprehensive Health Insurance Pool, is amended
3 to add an additional subdivision to read as follows:

4 (8) In the event the board fails to act within a reasonable
5 period of time to recoup by assessment any deficit incurred by the pool, the
6 Insurance Commissioner shall have all the powers and duties of the board
7 under this chapter with respect to assessing insurers.

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9 SECTION 3. Arkansas Code 23-79-507(c)(1), concerning assessment
10 offsets for insurers to the Arkansas Comprehensive Health Insurance Pool, is
11 amended to read as follows:

12 (1)(i) Any assessment may be offset in an amount equal to
13 the amount of the assessment paid to the pool against the premium tax payable
14 by that insurer for the year in which the assessment is levied, or the four
15 (4) years subsequent to that year.

16 (ii) No offset shall be allowed for any penalty
17 assessed under subsection (d)(1) of this section.

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19 SECTION 4. Arkansas Code 23-79-509(a), concerning eligible persons for
20 the Arkansas Comprehensive Health Insurance Pool, is amended to read as
21 follows:

22 (a) Resident Eligible Person. The following requirements apply to a
23 resident eligible person in order for the person to be eligible for plan
24 coverage:

25 (1) Except as provided in subdivision (a)(2) or subsection (b)
26 of this section, any individual person who meets the definition of resident
27 eligible person as defined by § 23-79-503(27) and is either a citizen of the
28 United States or an alien lawfully admitted for permanent residence who
29 continues to be a resident of this state shall be eligible for plan coverage
30 if evidence is provided of:

31 (A) A notice of rejection or refusal by an insurer to
32 issue substantially similar individual health insurance coverage by reason of
33 the existence or history of a medical condition or upon such other evidence
34 the Board of Directors of the Arkansas Comprehensive Health Insurance Pool
35 deems sufficient in order to verify that the applicant is unable to obtain
36 such coverage from an insurer due to the existence or history of a medical

1 condition; or

2 (B)(i) A refusal by an insurer to issue individual health
3 insurance coverage except at a rate which the board determines is
4 substantially in excess of the applicable plan rate.

5 (ii) A rejection or refusal by a group health plan
6 or insurer offering only stop-loss or excess-of-loss insurance or contracts,
7 agreements, or other arrangements for reinsurance coverage with respect to
8 the applicant shall not be sufficient evidence under this subsection;

9 (2) A person shall not be eligible for coverage under the plan
10 if:

11 (A) The person has or obtains health insurance coverage
12 substantially similar to or more comprehensive than a plan policy or would be
13 eligible to have coverage if the person elected to obtain it, except that:

14 (i) A person may maintain other coverage for the
15 period of time the person is satisfying any preexisting-condition waiting
16 period under a plan policy; and

17 (ii) A person may maintain plan coverage for the
18 period of time the person is satisfying a preexisting-condition waiting
19 period under another health insurance policy intended to replace the plan
20 policy;

21 (B) The person is determined to be eligible for health
22 care benefits under Title XIX of the Social Security Act;

23 (C) The person has previously terminated plan coverage
24 unless twelve (12) months have elapsed since termination of coverage;

25 (D) The person fails to pay the required premium under the
26 covered person's terms of enrollment and participation, in which event the
27 liability of the plan shall be limited to benefits incurred under the plan
28 for the same period for which premiums had been paid and the covered person
29 remained eligible for plan coverage;

30 (E) The plan has paid a total of one million dollars
31 (\$1,000,000) in benefits on behalf of the covered person;

32 (F) The person is a resident of a public institution; or

33 (G) The person's premium is paid for or reimbursed under
34 any government-sponsored program or by any government agency, foundation,
35 health care facility or health care provider, except as an otherwise
36 qualifying full-time employee or dependent of such an employee of a

1 government agency, foundation, health care facility or health care provider;

2 (3) The board or the plan administrator shall require
3 verification of residency and may require any additional information,
4 documentation, or statements under oath whenever necessary to determine plan
5 eligibility or residency;

6 (4) Coverage shall cease:

7 (A) On the date a person is no longer a resident of the
8 State of Arkansas;

9 (B) On the date a person requests coverage to end;

10 (C) On the death of the covered person;

11 (D) On the date state law requires cancellation of the
12 policy; or

13 (E) At the plan's option, thirty (30) days after the plan
14 makes any written inquiry concerning a person's eligibility or place of
15 residence to which the person does not reply; and

16 (5) Except under the conditions set forth in subdivision (a)(4)
17 of this section, the coverage of any person who ceases to meet the
18 eligibility requirements of this section shall be terminated at the end of
19 the current policy period for which the necessary premiums have been paid.

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21 SECTION 5. Emergency Clause. It is found and determine by the General
22 Assembly of the State of Arkansas that the health of the Arkansas
23 Comprehensive Health Insurance Pool is extremely important and the Insurance
24 Commissioner must have the ability to act to protect the pool from any
25 deficit when the Board of Directors fails to act. Therefore, an emergency is
26 declared to exist and this act being immediately necessary for the
27 preservation of the public peace, health and safety shall become effective on
28 the date of its approval by the Governor. If the bill is neither approved
29 nor vetoed by the Governor, it shall become effective on the expiration of
30 the period of time during which the Governor may veto the bill. If the bill
31 is vetoed by the Governor and the veto is overridden, it shall become
32 effective on the date the last house overrides the veto.

33 /s/ Teague

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36 APPROVED: 4/2/2001