

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.

Act 686 of the Regular Session

As Engrossed: H3/13/07 H3/21/07

A Bill

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007

HOUSE BILL 2627

4
5 By: Representative Wills
6
7

8 **For An Act To Be Entitled**

9 AN ACT TO REQUIRE SUBSCRIBER IDENTIFICATION CARDS
10 TO IDENTIFY ANY NETWORK DISCOUNTS THAT WILL APPLY
11 TO PROVIDER CLAIMS; AND FOR OTHER PURPOSES.
12

13 **Subtitle**

14 TO REQUIRE FULL DISCLOSURE REGARDING
15 WHICH ENTITIES HAVE ACCESS TO PROVIDER
16 NETWORKS.
17

18
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 SECTION 1. Arkansas Code Title 23, Chapter 63, Subchapter 1 is amended
22 to add an additional section to read as follows:

23 23-63-113. Agreement required for access to contracting agent's panel
24 of contracted health care providers or contracted reimbursement rates --
25 Identification of network discounts applicable to provider claims required on
26 subscriber identification cards.

27 (a) As used in this section:

28 (1)(A) "Contracting agent" means an entity that while engaged in
29 selling, leasing, assigning, conveying, or otherwise, grants access to the
30 entity's panel of contracted health care providers and the entity's
31 contracted reimbursement rates to another entity.

32 (B) "Contracting agent" includes, to the extent an entity
33 is engaged in the activities in subdivision (a)(1)(A) of this section and to
34 the full extent permitted by the Federal Employee Retirement Income Security
35 Act of 1974, 29 U.S.C. § 1001 et seq., as it existed on January 1, 2007.



- 1 (i) Preferred provider organizations;
2 (ii) Third-party administrators;
3 (iii) Prescription benefit management companies;
4 (iv) Insurance companies;
5 (v) Health maintenance organizations;
6 (vi) Hospital and medical service corporations; and
7 (vii) Self-insured health plans;

8 (2) "Entity" means any physician or other provider of health
9 care services, including institutional providers and organizations or groups
10 of health care providers;

11 (3)(A) "Health benefit plan" means any individual, blanket, or
12 group plan, policy, or contract for health care services issued or delivered
13 by a health care insurer in this state, including indemnity and managed care
14 plans and governmental plans as defined in 29 U.S.C. § 1002(32), as it
15 existed on January 1, 2007.

16 (B) "Health benefit plan" does not include plans providing
17 health care services under the Workers' Compensation Law, § 11-9-101 et seq.,
18 and the Public Employee Workers' Compensation Act, § 21-5-601 et seq.;

19 (4) "Person" means an individual, a corporation, a partnership,
20 a firm, a trust, an association, a voluntary organization, or any other form
21 of business enterprise or legal entity;

22 (5) "Provider" means any physician or other provider of health
23 care services, including institutional providers, and also organizations or
24 groups of health care providers;

25 (6) "Provider network" means a preferred provider organization
26 or any other network of providers; and

27 (7) "Subscriber identification card" or "identification card"
28 means a card that is issued to an individual evidencing his or her coverage
29 under a health benefit plan.

30 (b)(1) No contracting agent shall sell, lease, assign, convey, or
31 otherwise grant access to the contracting agent's panel of contracted health
32 care providers or the contracting agent's contracted reimbursement rates to
33 another entity unless authorized in an agreement between the contracting
34 agent and the provider.

35 (2) At least annually and upon written request of a contracted
36 provider, a contracting agent shall disclose in writing or electronically to

1 its providers all payors and other entities to which the contracting agent
2 has sold, leased, assigned, conveyed, or otherwise granted access to the
3 contracting agent's panel of contracted health care providers and the
4 contracting agent's reimbursement rates.

5 (c)(1) A subscriber identification card shall state, in a clear and
6 legible manner, the network applicable to provider claims arising under the
7 subscriber identification card.

8 (2) A provider network's contractual discounts or other
9 alternative rates of payments shall be enforceable and binding on all parties
10 only with respect to the network identified under subdivision (c)(1) of this
11 section.

12 (d) This section does not apply to an insurance company, a health
13 maintenance organization, or any other entity when the insurance company, the
14 health maintenance organization, or the other entity provides health benefits
15 directly through the insurance company's, the health maintenance
16 organization's, or the other entity's own network to the insurance company's,
17 the health maintenance organization's, or other entity's own enrollees
18 without using a contracting agent.

19 (e) No contracting agent shall retaliate against a provider for
20 exercising rights under this section.

21 (f) The Insurance Commissioner shall adopt rules for the
22 implementation, administration, and enforcement of this section and shall
23 enforce this section using the powers granted to the commissioner in the
24 Arkansas Insurance Code.

25 (g) Nothing in any contract shall supersede this section.

26 (h)(1) To avoid impairment of existing contracts, this section shall
27 only apply to contracts issued, renewed, or amended after the effective date
28 of this section.

29 (2) Any provision in a health benefit plan that is executed,
30 delivered, or renewed, or that otherwise contracts for provision of services
31 in this state that is contrary to this subchapter shall be void to the extent
32 of the conflict.

33 (i) The provisions of this act shall not apply to the Arkansas
34 Comprehensive Health Insurance Pool.

35
36 /s/ Wills

APPROVED: 3/29/2007