

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: H2/28/11 S3/8/11

A Bill

HOUSE BILL 1428

5 By: Representative D. Hutchinson
6 By: Senator J. Hutchinson
7

For An Act To Be Entitled

9 AN ACT TO REQUIRE CHILD-ONLY INDIVIDUAL HEALTH
10 INSURANCE POLICIES; TO DECLARE AN EMERGENCY; AND FOR
11 OTHER PURPOSES.
12
13

Subtitle

15 TO REQUIRE CHILD-ONLY INDIVIDUAL HEALTH
16 INSURANCE POLICIES AND TO DECLARE AN
17 EMERGENCY.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 *SECTION 1. TEMPORARY LANGUAGE. DO NOT CODIFY.*

23 *Health insurance for individuals under nineteen years of age.*

24 *(a) As used in this act:*

25 *(1)(A) "Child-only plan" means renewable individual health*
26 *insurance for a qualified individual other than excepted benefits as defined*
27 *in § 23-86-310.*

28 *(B) "Child-only plan" does not include dependent health*
29 *insurance for a qualified individual under another person's health insurance;*

30 *(2)(A) "Health insurance" means any hospital and medical*
31 *expense-incurred policy, certificate, or contract provided by an insurer,*
32 *hospital or medical service corporation, health maintenance organization, or*
33 *any other health care plan or arrangement that pays for or furnishes medical*
34 *or health care services whether by insurance or otherwise and includes any*
35 *excess or stop-loss coverage.*

36 *(B) "Health insurance" does not include long-term care,*



1 disability income, short-term, accident, dental-only, vision-only, fixed
2 indemnity, limited-benefit or credit insurance, coverage issued as a
3 supplement to liability insurance, insurance arising out of workers'
4 compensation or similar law, automobile medical-payment insurance, or
5 insurance under which benefits are payable with or without regard to fault
6 and that is statutorily required to be contained in any liability insurance
7 policy or equivalent self-insurance;

8 (3) "Individual health insurance" means health insurance offered
9 to individuals in the individual market but does not include short-term
10 limited duration insurance;

11 (4)(A) "Insurer" means any entity that provides health
12 insurance, including excess or stop-loss health insurance, in the State of
13 Arkansas.

14 (B) "Insurer" includes an insurance company, medical
15 services plans, hospital plans, hospital medical service corporations, health
16 maintenance organizations, fraternal benefits society, or any other entity
17 providing a plan of health insurance or health benefits subject to state
18 insurance regulation;

19 (5) "Open enrollment period" means October 1 through October 31
20 annually, beginning October 1, 2011;

21 (6) "Qualifying event" means the loss of employer-sponsored
22 health insurance or the involuntary loss of other existing health insurance
23 for any reason other than fraud, misrepresentation, or failure to pay a
24 premium if the applicant is a qualified individual when the qualifying event
25 occurs; and

26 (7)(A) "Qualified individual" means a resident of this state
27 under nineteen (19) years of age.

28 (B) "Qualified individual" does not include a person who
29 is not a United States citizen or who is present in the United States
30 illegally.

31 (b)(1) An insurer shall establish and administer the open enrollment
32 period for the purpose of offering a child-only plan to each qualified
33 individual.

34 (2) During the open enrollment period and within thirty (30)
35 days of a qualifying event, an insurer shall accept and grant an application
36 to insure a qualified individual for a child-only plan on a guaranteed-issue

1 basis without any limitations or exclusions of policy benefits based upon the
2 applicant's health status.

3 (c)(1) Until the end of the initial open enrollment period, the
4 Arkansas Comprehensive Health Insurance Pool shall provide health insurance
5 to qualified individuals under § 23-79-509(a)(1)(C).

6 (2) At the end of the initial open enrollment period, the
7 eligibility of a qualified individual for health insurance under the Arkansas
8 Comprehensive Health Insurance Pool shall be determined under policies and
9 procedures established by the Board of Directors of the Arkansas
10 Comprehensive Health Insurance Pool.

11 (d) The Insurance Commissioner shall adopt rules to implement and
12 administer this act.

13 (e) This act and the rules adopted by the commissioner to administer
14 this act expires on January 1, 2014.

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16 SECTION 2. Arkansas Code § 23-79-509(a)(1), concerning the general
17 eligibility requirements of the Arkansas Comprehensive Health Insurance Pool,
18 is amended to read as follows:

19 (a) General Eligibility Requirements. The following requirements
20 apply to a resident eligible person or a trade adjustment assistance eligible
21 person in order for the person to be eligible for plan coverage:

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

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

36 (B)(i) A refusal by an insurer to issue individual health

1 insurance coverage except at a rate that the board determines is
2 substantially in excess of the applicable plan rate.

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

7 (C)(i) Until September 30, 2011, a refusal by an insurer
8 to issue individual health insurance coverage to a child under nineteen (19)
9 years of age.

10 (ii) After September 30, 2011, the eligibility of a
11 child under nineteen (19) years of age for individual health insurance
12 coverage shall be determined by the board; or

13 (D) Evidence that the applicant was covered under a
14 qualified high risk pool of another state, provided that the coverage
15 terminated no more than sixty-three (63) days prior to the date the pool
16 receives the applicant's application for coverage and the other state's
17 qualified high risk pool did not terminate the person's coverage for fraud;

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19 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
20 General Assembly of the State of Arkansas that recent changes in federal law
21 prohibit health insurers from imposing preexisting-condition exclusions on
22 individuals under nineteen (19) years of age; that there exists a limited
23 market in this state of health insurers voluntarily offering individual
24 health insurance policies to individuals under nineteen (19) years of age;
25 that children with preexisting conditions may be unable to obtain any health
26 insurance coverage; and that this act is immediately necessary because the
27 lack of health insurance coverage results in the children of this state
28 receiving inadequate medical care, foregoing wellness treatment and medical
29 procedures, and experiencing declining health, with potentially devastating
30 consequences to the future health and welfare of our state. Therefore, an
31 emergency is declared to exist, and this act being immediately necessary for
32 the preservation of the public peace, health, and safety shall become
33 effective on:

34 (1) The date of its approval by the Governor;

35 (2) If the bill is neither approved nor vetoed by the Governor,
36 the expiration of the period of time during which the Governor may veto the

1 bill; or

2 (3) If the bill is vetoed by the Governor and the veto is
3 overridden, the date the last house overrides the veto.

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5 /s/D. Hutchinson

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8 APPROVED: 03/14/2011

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