

1 State of Arkansas *As Engrossed: S2/25/15 H3/12/15 H3/16/15*
2 90th General Assembly
3 Regular Session, 2015

A Bill

SENATE BILL 487

4
5 By: Senators Rapert, Caldwell, J. Hutchinson, Maloch, G. Stubblefield, *J. Hendren*
6 By: Representatives D. Douglas, Broadaway, Eubanks, D. Ferguson, Jett, Vaught

For An Act To Be Entitled

9 AN ACT TO MODIFY THE DEFINITION OF A THIRD-PARTY
10 ADMINISTRATOR USED BY MULTIPLE EMPLOYER TRUSTS AND
11 SELF-INSURED PLANS; AND FOR OTHER PURPOSES.

Subtitle

15 TO MODIFY THE DEFINITION OF A THIRD-PARTY
16 ADMINISTRATOR USED BY MULTIPLE EMPLOYER
17 TRUSTS AND SELF-INSURED PLANS.

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

21
22 SECTION 1. Arkansas Code § 23-92-201 is amended to read as follows:
23 23-92-201. Definition.

24 (a) As used in this subchapter, ~~“third party administrator” means any:~~

25 (1) “Third-party administrator” means a person, firm, or
26 partnership that collects or charges premiums from or adjusts or settles
27 claims on residents of this state in connection with life or accident and
28 health coverage provided by a self-insured plan or a multiple *employer trust*
29 or multiple employer welfare arrangement;

30 (2) “Pharmacy benefits manager” means an entity that administers
31 or manages a pharmacy benefits plan or program; and

32 (3) “Pharmacy benefits plan or program” means a plan or program
33 that pays for, reimburses, covers the cost of, or otherwise provides
34 pharmacist services to individuals who reside in or are employed in this
35 state.

36 (b) ~~“Third party~~ As used in this subchapter, “third-party



1 administrator" includes:

2 (1) An administrative-services-only ~~contracts~~ contract offered
3 by insurers and health maintenance organizations; and

4 (2) A pharmacy benefits manager that administers or manages a
5 pharmacy benefits plan or program that furnishes, covers the cost of, or
6 otherwise provides for the practice of pharmacy as defined in § 17-92-101
7 under any life and accident and health coverage provided in this state by a
8 self-insured plan, a multiple employer trust, or a multiple employer welfare
9 arrangement.

10 (c) ~~but~~ As used in this subchapter, "third-party administrator" does
11 not include the following persons:

12 (1) An employer, for its employees or for the employees of a
13 subsidiary or affiliated corporation of the employer;

14 (2) A union, for its members;

15 (3) An insurer or health maintenance organization licensed to do
16 business in this state;

17 (4) A creditor, for its debtors, regarding insurance covering a
18 debt between them;

19 (5) A credit card-issuing company that advances for or collects
20 premiums or charges from its credit card holders as long as that company does
21 not adjust or settle claims;

22 (6) An individual who adjusts or settles claims in the normal
23 course of his or her practice or employment and who does not collect charges
24 or premiums in connection with life or accident and health coverage; or

25 (7) An agency licensed by the Insurance Commissioner and
26 performing duties pursuant to an agency contract with an insurer authorized
27 to do business in this state.

28

29 *SECTION 2. Arkansas Code § 23-92-203, concerning certificates of*
30 *registration, is amended to add a new subsection to read as follows:*

31 "(g) The provisions in this chapter establishing standards applicable
32 to a third-party administrator under Arkansas Code § 23-92-203(d) or
33 fiduciary standards under Arkansas Code § 23-92-206 do not authorize the
34 Commissioner to regulate the actions of a third-party administrator if the
35 actions are authorized or required under its administration of a self-insured
36 plan or trust, or apply or enforce other insurance code provisions, rules or

1 other state laws, through such standards, for purposes of revocation or
2 suspension of a third-party administrator's certificate.

3
4 SECTION 3. Arkansas Code § 23-92-206, concerning collections of
5 premiums, is amended to add a new subsection to read as follows:

6 (e) This section does not apply to a third-party administrator as
7 defined in Arkansas Code § 23-92-201(a).

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9 /s/Rapert

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12 APPROVED: 03/25/2015
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