

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

As Engrossed: H3/8/23 H3/30/23

A Bill

HOUSE BILL 1272

5 By: Representative L. Johnson
6 By: Senator Irvin
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE HEALTHCARE CONTRACTING
10 SIMPLIFICATION ACT; TO PROHIBIT A HEALTHCARE INSURER
11 FROM LEASING A HEALTHCARE CONTRACT OR PROVIDER
12 NETWORK; AND FOR OTHER PURPOSES.
13
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Subtitle

16 TO AMEND THE HEALTHCARE CONTRACTING
17 SIMPLIFICATION ACT; AND TO PROHIBIT A
18 HEALTHCARE INSURER FROM LEASING A
19 HEALTHCARE CONTRACT OR PROVIDER NETWORK.
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21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 *SECTION 1. Arkansas Code § 23-99-1202(4), concerning the definition of*
25 *"health benefit plan" used under the Healthcare Contracting Simplification*
26 *Act, is amended to read as follows:*

27 (4)(A) "Health benefit plan" means a plan, policy, contract,
28 certificate, agreement, or other evidence of coverage for healthcare services
29 offered or issued by a healthcare insurer in this state.

30 (B) "Health benefit plan" includes:

31 (i) A nonfederal governmental ~~plans~~ plan as defined
32 in 29 U.S.C. § 1002(32), as it existed on ~~January 1, 2019~~ January 1, 2023;
33 and

34 (ii) A contract for providing benefits for dental
35 care pursuant to:

36 (a) A healthcare insurance policy or



1 certificate;

2 (b) A dental-only plan;

3 (c) A health maintenance organization provider

4 contract; or

5 (d) A managed healthcare plan.

6 (C) "Health benefit plan" does not include:

7 (i) A disability income plan;

8 (ii) A credit insurance plan;

9 (iii) Insurance coverage issued as a supplement to
10 liability insurance;

11 (iv) A medical payment under automobile or
12 homeowners insurance plans;

13 (v) A health benefit plan provided under Arkansas
14 Constitution, Article 5, § 32, the Workers' Compensation Law, § 11-9-101 et
15 seq., or the Public Employee Workers' Compensation Act, § 21-5-601 et seq.;

16 (vi) A plan that provides only indemnity for
17 hospital confinement;

18 (vii) An accident-only plan;

19 (viii) A specified disease plan;

20 (ix) A long-term care only plan; or

21 ~~(x) A dental-only plan; or~~

22 ~~(xi) A vision-only plan;~~

23
24 SECTION 2. Arkansas Code § 23-99-1202(6)(B), concerning the definition
25 of "healthcare insurer" used under the Healthcare Contracting Simplification
26 Act, is amended to read as follows:

27 (B) "Healthcare insurer" includes:

28 (i) An insurance company;

29 (ii) A health maintenance organization;

30 (iii) A hospital and medical service corporation;

31 (iv) A risk-based provider organization; ~~and~~

32 (v) A sponsor of a nonfederal self-funded
33 governmental plan; and

34 (vi) A dental-only plan;

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36 SECTION 3. Arkansas Code § 23-99-1202(8), concerning the definition of

1 "healthcare services used under the Healthcare Contracting Simplification
2 Act, is amended to read as follows:

3 (8)(A) "Healthcare services" means services or goods provided
4 for the purpose of or incidental to the purpose of preventing, diagnosing,
5 treating, alleviating, relieving, curing, or healing human illness, disease,
6 condition, disability, or injury.

7 (B) "Healthcare services" includes services for the
8 diagnosis, prevention, treatment, or cure of a dental condition, illness,
9 injury, or disease;

10

11 SECTION 4. Arkansas Code § 23-99-1202, concerning definitions used
12 under the Healthcare Contracting Simplification Act, is amended to add an
13 additional subdivision to read as follows:

14 (13) "Affiliate" means an entity that controls, is controlled
15 by, or is under common control with a healthcare insurer.

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17 SECTION 5. Arkansas Code Title 23, Chapter 99, Subchapter 12, is
18 amended to add an additional section to read as follows:

19 23-99-1210. Healthcare contract or provider network – Prohibition.

20 (a) A healthcare insurer shall not:

21 (1) Lease, rent, or sell a healthcare contract or provider
22 network of a health benefit plan to another healthcare insurer or third-party
23 administrator; or

24 (2) In any manner allow the use of a healthcare contract or
25 provider network of a health benefit plan by another healthcare insurer or
26 third-party administer.

27 (b)(1) A violation of this section is:

28 (A) An unfair trade practice under § 23-66-206; and

29 (B) Subject to the Trade Practices Act, § 23-66-201 et
30 seq.

31 (2) If a healthcare contract contains a provision that violates
32 this section, then the provision under the healthcare contract is void.

33 (c) This section does not apply if a healthcare insurer:

34 (1) Grants access to the healthcare insurer's provider network
35 contract to another healthcare insurer or entity that is:

36 (A) An affiliate of the healthcare insurer; or

1 (B) Operating according to the same brand licensee program
2 as the healthcare insurer; or

3 (2) Provides notice of the intent to lease, rent, or sell a
4 healthcare contract or provider network of a health benefit plan to another
5 healthcare insurer or third-party administrator;

6 (3) Allows a healthcare provider that is a party to the
7 healthcare contract or provider network of a health benefit plan the
8 opportunity to opt out of participating in the:

9 (A) Proposed lease, rental, or sale of a healthcare
10 contract or provider network of a health benefit plan entirely upon the
11 execution or renewal of the healthcare contract; and

12 (B) Lease, rental, or sale of a healthcare contract with
13 respect to an individual healthcare insurer or third party administrator upon
14 notice that the individual healthcare insurer or third party administrator
15 has violated the terms of the healthcare contract; and

16 (4) Provides contact information for the healthcare insurer or
17 third-party administrator using the healthcare contract or provider network
18 of a health benefit plan, including without limitation:

19 (A) Contact name;

20 (B) Mailing address;

21 (C) Direct telephone number for customer service matters;

22 and

23 (D) Direct email address for customer service matters.

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25 /s/L. Johnson

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28 **APPROVED: 4/11/23**