

ARKANSAS SENATE
83rd General Assembly - Regular Session, 2001
Amendment Form

Subtitle of Senate Bill No. 984

"AN ACT TO ESTABLISH DUE PROCESS REQUIREMENTS TO BE FOLLOWED BY
HEALTH CARRIERS WHEN TERMINATING PROVIDERS FROM PARTICIPATION IN
HEALTH CARE PLANS."

Amendment No. 2 to Senate Bill No. 984.

Amend Senate Bill No. 984 as engrossed, S3/7/01:

Add Senator B. Walker as a co-sponsor of the bill

AND

Add Representative Bledsoe as a co-sponsor of the bill

AND

Page 2, delete lines 25 and 26, and substitute the following:

"(4)(A)(i) "Cause" means actions or omissions which adversely affect quality of care, violate professional standards, or violate reasonable administrative practices.

(i) "Cause" may include acts or omission for which the provider could be disciplined by a regulatory authority of this state, malpractice, substandard care, overutilization, underutilization, fraud, and violations of the terms of the provider contract.

(B) However, the terms of the provider contract must be specific and reasonable and not designed to circumvent this act or to expel a provider for a reason that does not involve quality of care, professional standards, or reasonable administrative practices required of all other similarly situated providers."

AND

Page 2, delete lines 30 and 31, and substitute the following:

"from a health care plan except for cause.

(2) It shall not be a violation of this act to terminate or nonrenew a provider who is unwilling to provide services at the applicable reimbursement rate."

AND

Page 2, line 32, delete "(2)" and substitute "(3)"

AND

Page 2, line 35, add "or nonrenewal" after "termination" and before "and"

AND

Page 2, line 36, delete "similar" and substitute "any other"

AND

Page 4, delete line 6 and substitute the following:

"termination date in the provider's contract, whichever is earlier.

(i)(1) The hearing panel's decision shall be final and non-appealable.

(2) The hearing process in this act does not foreclose any claim or cause of action, if any, that a provider may otherwise have in a court of competent jurisdiction, and the hearing panel's decision shall not be admissible in court."

AND

Page 4, line 8, delete "health care plans" and substitute "provider contracts"

AND

Page 4, delete line 10 and substitute the following:

"effective date of this act. "Renewed, extended, or modified" includes but is not limited to a change in reimbursement rates or other financial terms."

AND

Delete Section 6 and substitute the following:

"SECTION 6. Enforcement.

(a) If a carrier violates the notice and hearing requirements of section 3 of this act, a participating provider may file suit for injunctive relief in a court of competent jurisdiction and, upon prevailing, be entitled to reasonable attorney fees and costs.

(b) Any person adversely affected by a violation of section 5 of this act may sue in a court of competent jurisdiction for injunctive relief against the health carrier and, upon prevailing, shall, in addition to the relief, recover damages not less than one thousand dollars (\$1,000) plus attorney's fees and costs.

(c)(1) The Insurance Commissioner may enforce this act through the powers granted to the commissioner in the Arkansas Insurance Code, which begins at Arkansas Code 23-60-101.

(2) Violation of this act shall be grounds for suspending or revoking any license, permit, certification, or other authority to practice or conduct business in this state."

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator DeLay
DF/CDS - 031320011019
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Secretary