

ARKANSAS SENATE
88th General Assembly - Regular Session, 2011
Amendment Form

Subtitle of Senate Bill No. 807

TO AMEND ARKANSAS LAW CONCERNING ACCOUNTABLE CARE ORGANIZATIONS
AND TO DECLARE AN EMERGENCY.

Amendment No. 3 to Senate Bill No. 807

Amend Senate Bill No. 807 as originally introduced:

Delete everything following the enacting clause and substitute the following:

"SECTION 1. Arkansas Code Title 4, Chapter 29 is amended to add an additional subchapter to read as follows:

4-29-501. Title.

This subchapter shall be known and may be cited as "The Accountable Care Organization Act of 2011".

4-29-502. Purpose.

The purpose of this subchapter is to:

(1) Require that accountable care organizations ensure that medical decisions are not based on commercial interests but on professional medical judgment that puts first the interests of patients; and

(2) Allow collaborative efforts between physicians, hospitals, and other qualified providers to form accountable care organizations as long as those arrangements ensure that health care decisions are made by health care professionals.

4-29-503. Definitions.

As used in this subchapter:

(1) "Accountable care organization" means a group of health care providers:

(A) That is intended to be associated with a defined population of patients;

(B) That is accountable for the quality and cost of care that is delivered to a defined population of patients; and

(C) Through which the health care providers share in savings created by:

(i) Improving the quality of care to the defined population of patients; and

(ii) Reducing the growth of the cost of care delivered to the defined population;



(2) "Health care professional" means a health care practitioner licensed by the State of Arkansas; and

(3) "Physician" means a doctor of medicine or doctor of osteopathy licensed by the Arkansas State Medical Board whose primary professional activities consist of direct patient care in the State of Arkansas.

4-29-504. Organizational requirements.

(a) An accountable care organization operating in Arkansas shall be formed as a legal business entity.

(b) If a nonphysician-owned business entity is part of an accountable care organization, the accountable care organization shall be a separate legal entity with a separate and independent governing body.

(c)(1) An accountable care organization operating in Arkansas shall have a board of directors or similar governing body.

(2)(A)(i) At least two-thirds (2/3) of the board of directors or similar governing body shall be composed of health care professionals:

(a) Participating in the accountable care organization; and

(b) Elected by health care professionals participating in the accountable care organization.

(ii)(a) Except as provided in subdivision (c)(2)(A)(ii)(b) of this section, at least one-third (1/3) of the total members of the board of directors or similar governing body shall be physicians.

(b)(1) Subdivision (c)(2)(A)(ii)(a) of this section does not apply to an accountable care organization that exists for a purpose that does not include the provision of medical services from a physician.

(2) Subsection (c)(2)(A)(ii)(b)(1) of this section does not prohibit a physician from serving on the board of directors or similar governing body of an accountable care organization under (c)(2)(A)(ii)(b)(1).

(B) This section does not require or prohibit the inclusion of nonphysician health care professionals or hospitals in the remaining membership of the board of directors or similar governing body.

SECTION 2. Arkansas Code § 20-9-501 is amended to read as follows:
20-9-501. Definition.

As used in this subchapter, "peer review committee" or "committee" means a committee of a hospital medical staff, ~~or~~ a committee of a state or local professional association, or a committee of an accountable care organization under § 4-29-501 et seq. that is formed to:

(1) Evaluate and improve the quality of health care rendered by providers of health services; or

(2) Determine that:

(A) Health services rendered were professionally indicated or were performed in compliance with the applicable standard of care; or

(B) The cost of health care rendered was considered reasonable by the providers of professional health services in the area.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that this act provides for accountable care organizations to be structured and operated in a manner that protects professional judgment and decision-making by health care professionals; that unless accountable care organizations are so organized, they will be unable to adequately protect patient interests; that protecting patient relationships and the professional judgment of health care professionals will protect and improve patient care; and that the protections for professional judgment and improvements to patient care provided under this act should become effective as soon as possible to benefit the citizens of the State of Arkansas. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

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

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

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

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

By: Senator J. Dismang

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Secretary