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INTERIM STUDY PROPOSAL 2011-098

State of Arkansas  
88th General Assembly  
Regular Session, 2011

*As Engrossed: H3/9/11*  
**A Bill**

HOUSE BILL 1939

By: Representative Nickels

Filed with: Interim House Committee on Public Health, Welfare and Labor  
pursuant to A.C.A. §10-3-217.

**For An Act To Be Entitled**

AN ACT TO ENHANCE THE REGULATION OF HEALTH CARE PROVIDERS; TO CLARIFY THE REQUIREMENTS FOR HEALTH CARE PROVIDERS THAT ARE NOT SUBJECT TO THE JURISDICTION OF THE INSURANCE COMMISSIONER; AND FOR OTHER PURPOSES.

**Subtitle**

TO ENHANCE THE REGULATION OF HEALTH CARE PROVIDERS; TO CLARIFY THE REQUIREMENTS FOR HEALTH CARE PROVIDERS THAT ARE NOT SUBJECT TO THE JURISDICTION OF THE INSURANCE COMMISSIONER.

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

SECTION 1. Arkansas Code § 23-61-502 is amended to read as follows:  
23-61-502. ~~Exempt health care plans~~ Application of subchapter.

(a)(1) The provisions of this subchapter shall not apply to those Except as provided under subdivision (a)(2) of this section, this subchapter does not apply to a health care plans which are plan that is maintained:

- ~~(1)(A)~~ Pursuant to a collective bargaining agreement;
- ~~(2)(B)~~ By a tax exempt rural electric cooperative;
- ~~(3)(C)~~ By the Arkansas Poultry Federation; or
- ~~(4)(D)~~ By any nonprofit vision service plan corporation composed of at least fifty (50) participating optometrists or ophthalmologists

1 licensed by the State of Arkansas to provide vision care services on a  
2 prepaid basis when each licensed optometrist or ophthalmologist is subject to  
3 the rules and regulations of the professional's respective state board and  
4 when each participating licensed optometrist or ophthalmologist agrees to  
5 assume responsibility for completion of the provisions of the vision care  
6 services contracted for so that no element of risk is incurred by any  
7 subscriber group or person.

8 (2) This subchapter applies to a policy or product issued by the  
9 Arkansas Municipal League that attempts to provide benefits for future  
10 events.

11  
12 SECTION 2. Arkansas Code § 23-61-503 is amended to read as follows:

13 23-61-503. Jurisdiction of State Insurance Department – Application of  
14 Arkansas Insurance Code.

15 (a) Notwithstanding any other provision of law and except as provided  
16 in this subchapter, ~~any~~ a person, entity, or plan that provides coverage in  
17 this state for medical, surgical, chiropractic, physical therapy, speech  
18 pathology, audiology, professional mental health, dental, hospital, or  
19 optometric expenses, whether the coverage is by direct payment,  
20 reimbursement, or otherwise, shall be presumed to be subject to the  
21 jurisdiction of the State Insurance Department and to all other applicable  
22 provisions of the Arkansas Insurance Code unless the person, entity, or plan  
23 described in this section shows that it is not subject to the jurisdiction of  
24 the department.

25 (b) This subchapter ~~shall~~ does not apply to:

26 (1) A trust established under §§ 14-54-101 and 25-20-104 to  
27 provide benefits such as accident and health benefits, death benefits, dental  
28 benefits, and disability income benefits if:

29 (A) The provider of the health care benefits is regulated  
30 by a state or federal regulator other than the Insurance Commissioner; and

31 (B) The trust provides the information required by § 23-  
32 61-509; or

33 (2) The Comprehensive Health Insurance Pool Act, § 23-79-501 et  
34 seq.

35 (c) A person, entity, or plan that claims it is not subject to the  
36 jurisdiction of the department shall provide annual notice to the department.

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SECTION 3. Arkansas Code Title 23, Chapter 61, Subchapter 5, is amended to add an additional section to read as follows:

23-61-509. Proof of alternate jurisdiction.

Annually and upon the request of the Insurance Commissioner, a health care provider that provides any of the services stated in § 23-61-503 and claims to be exempt from this subchapter or the jurisdiction of the commissioner shall provide proof satisfactory to the commissioner that it is exempt from this subchapter or otherwise not subject to the jurisdiction of the commissioner.

*/s/Nickels*

Referred by the Arkansas House of Representatives  
Prepared by: ANS/VJF