

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011

A Bill

HOUSE BILL 1801

4 By: Representative King

5
6 Filed with: Interim House Committee on Public Health, Welfare and Labor
7 pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

8 AN ACT TO ENACT THE MANDATED HEALTH BENEFITS REVIEW
9 ACT; TO PROVIDE FOR A REVIEW BY THE STATE INSURANCE
10 DEPARTMENT OF ANY PROPOSED MANDATED HEALTH BENEFIT;
11 AND FOR OTHER PURPOSES.
12
13

Subtitle

14 TO ENACT THE MANDATED HEALTH BENEFITS
15 REVIEW ACT.
16

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
18
19

20 SECTION 1. Arkansas Code Title 23, Chapter 79 is amended to add an
21 additional subchapter to read as follows:

22 23-79-1501. Title.

23 This subchapter shall be known and may be cited as the "Mandated Health
24 Benefits Review Act".

25 23-79-1502. Purpose.

26 The purpose of this subchapter is to provide for a review by the State
27 Insurance Department of mandated health benefits, including any proposed
28 mandated health benefits or amendments to an existing law or amendments to a
29 proposal for mandated health benefits, mandated health insurance coverage, or
30 mandated offerings of health benefits.

31 23-79-1503. Definitions.
32
33
34
35
36

1 As used in this subchapter, "mandated health benefit" means any:

2 (1) Mandated coverage for specific medical or health-related
3 services, treatments, medications, or practices;

4 (2) Mandated coverage of the services specific to health care
5 practitioners;

6 (3) Mandate requiring an offering of specific services,
7 treatments, practices, or an expansion of an existing coverage; and

8 (4) Mandated reimbursement amount to specific health care
9 practitioners.

10
11 23-79-1504. Mandated health benefits review.

12 (a)(1) The General Assembly shall refer to the State Insurance
13 Department for review any:

14 (A) Proposal for a new mandated health benefit;

15 (B) Amendment to an existing law concerning a mandated
16 health benefit; or

17 (C) New amendment to a proposal for a mandated health
18 benefit.

19 (2) The department shall provide to the General Assembly an
20 actuarially-based review of any mandated health benefit and a report
21 concerning the:

22 (A) Medical efficacy of the mandated health benefit; and

23 (B) Cost benefits of the mandated health benefit.

24 (b) The department shall retain an independent actuary to review the
25 proposal for a new mandated health benefit, the amendment to an existing law
26 concerning a mandated health benefit, or the new amendment to a proposal for
27 a mandated health benefit and to assure that appropriate assumptions are used
28 to accurately demonstrate the financial impact of the proposed mandated
29 health benefit, the amendment to a proposed mandated health benefit, or the
30 amendment to an existing law concerning a mandated health benefit.

31 (c) Along with the information required under subdivision (a)(2) of
32 this section, the department's report to the General Assembly shall contain
33 information as to whether:

34 (1) The information is complete;

35 (2) The research cited meets professional standards;

36 (3) All relevant research has been brought to light; and

1 (4) The conclusions and interpretations drawn from the evidence
2 are consistent with the data presented.

3 (d) In preparing its report to the General Assembly, the department
4 shall apply the following guidelines in determining the adequacy of the
5 information presented:

6 (1) If the insurance coverage is not generally in place, to what
7 extent the lack of coverage of the proposed mandated health benefit results
8 in financial hardship; and

9 (2) Measurements of the demand for the proposed mandated health
10 benefit from the public at large and in collective bargaining negotiations,
11 and to what extent voluntary insurance coverage of the proposed mandated
12 health benefit is available.

13 (e) In consultation with relevant medical experts, the department
14 shall consider evidence of medical efficacy in the following manner:

15 (1) If the proposal for a new mandated health benefit, the
16 amendment to an existing law concerning a mandated health benefit, or the new
17 amendment to a proposal for a mandated health benefit seeks to mandate
18 insurance coverage of a particular therapy, the department's report to the
19 General Assembly shall include:

20 (A) The results of at least one (1) clinical trial
21 demonstrating the medical consequences of that therapy compared to no therapy
22 and to alternative therapies; and

23 (B) The results of any other relevant clinical research; or

24 (2) If the proposal for a new mandated health benefit, the
25 amendment to an existing law concerning a mandated health benefit or the new
26 amendment to a proposal for a mandated health benefit seeks to mandate
27 insurance coverage of a specific class of practitioners or medical specialty,
28 the department's report to the General Assembly shall include:

29 (A) The results of at least one (1) professionally
30 acceptable, controlled trial demonstrating the medical results achieved by
31 the specific class of practitioners or medical specialty relative to those
32 already covered; and

33 (B) The results of any relevant research.

34 (f) The department shall review evidence of financial impact of the
35 proposed mandated health benefit, including without limitation:

36 (1) The extent to which the:

1 (A) Mandated health benefit will increase or decrease the
2 cost of treatment or service;

3 (B) Same or similar mandated health benefit has affected
4 charges, costs, utilization, and payments in other states;

5 (C) Mandated health benefit will increase the appropriate
6 use of the treatment or service;

7 (D) Mandated treatment or service will be a substitute for
8 more expensive or less expensive treatments or services; and

9 (E) Mandated health benefit will increase or decrease the
10 administrative expenses of third-party payors and the premium and
11 administrative expenses of policyholders; and

12 (2) The financial impact of the mandated health benefit on:

13 (A) Small employers, medium-sized employers, large
14 employers, and the state employees' health benefit plan; and

15 (B) Purchasers of individual health insurance coverage,
16 state high-risk pools, and the state retirement program.

17 (g) The department shall submit its report to the General Assembly
18 within [need time limit from sponsor] days of receiving the information
19 concerning the proposed mandated health benefit for review.

20
21 23-79-1505. Review of existing mandated health benefits.

22 (a) In addition to its duties under § 23-79-1504, the State Insurance
23 Department shall annually review [?] percent (?%) of existing state-mandated
24 health benefits, state-mandated health insurance coverages, and state-
25 mandated offerings of health benefits in the same manner as prescribed under
26 § 23-79-1504.

27 (b) The State Insurance Department shall report the findings of its
28 review to the General Assembly, the Speaker of the House of Representatives,
29 the President Pro Tempore of the Senate, and the Department of Finance and
30 Administration no later than January 1 of each year.

31
32 Referred by the Arkansas House of Representatives

33 Prepared by: JET/VJF

34
35
36