

State of Arkansas

77th General Assembly

Regular Session, 1989

SENATE BILL 601

By: Senators Gordon, Allen, and Bearden

"AN ACT TO AUTHORIZE INSURERS TO FORM AND TO PARTICIPATE IN
PREFERRED PROVIDER ORGANIZATIONS."

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

SECTION 1. Definitions. As used in this Act, unless the context otherwise requires:

(a) "Insurer" means all insurance companies and hospital and medical services corporations, authorized in this State to issue policies, subscriber contracts, or health care plans which reimburse or indemnify the expense of health care services.

(b) "Health care services" means services rendered by a health care provider within the scope of the provider's license.

(c) "Health care provider" means an individual licensed under the Arkansas Medical Practices Act, A.C.A. §17-93-201, et seq., and a hospital licensed by the Arkansas State Board of Health pursuant to A.C.A. §20-9-201 et seq.

(d) "Preferred provider organization" means an arrangement existing by reason of agreement(s) between or on behalf of an insurer and one or more health care providers which complies with all of the requirements of this Act.

(e) "Preferred provider" means a health care provider who has contracted with an insurer to provide health care services.

(f) "Commissioner" means the Arkansas Insurance Commissioner.

SECTION 2. Establishment of preferred provider organizations.
Insurers may form and may participate in preferred provider organizations if the following criteria are met:

(a) Membership on preferred provider panels must be open to health care providers willing and able to meet the terms and conditions of the

organization.

(b) The difference in benefit levels, i.e., deductibles and co-pay provisions, etc., offered to the insured must not be so great as to practically require that health care services be rendered by a particular health care provider. A difference exceeding twenty-five percent (25%) in benefit levels will be presumed to effectively negate an insured's freedom to utilize non-panel health care providers.

SECTION 3. Rules and regulations. The Commissioner is hereby authorized to promulgate rules and regulations in furtherance of the purposes of this Act.

SECTION 4. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 5. All laws and parts of laws in conflict with this Act are hereby repealed.