

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997  
4

As Engrossed: H2/14/97

## A Bill

HOUSE BILL 1559

5 By: Representatives McGee, J.Smith, and Brown  
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### For An Act To Be Entitled

9 "AN ACT CONCERNING PRACTICES AND BENEFITS OF HEALTH  
10 *INSURANCE POLICIES*; AND FOR OTHER PURPOSES."  
11

### Subtitle

13 "AN ACT CONCERNING PRACTICES AND  
14 BENEFITS OF HEALTH *INSURANCE POLICIES*."  
15

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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18 *SECTION 1. As used in this act, "Health insurance policy" means a group*  
19 *insurance policy, contract or plan or an individual policy, contract or plan*  
20 *which provides medical coverage on an expense incurred, service, or prepaid*  
21 *risk-sharing basis. The term includes, but is not limited to, a policy,*  
22 *contract, or plan issued by an entity subject to any of the following laws:*

- 23 *(1) the Arkansas Insurance Code, A.C.A. 23-60-101, et seq.;*  
24 *(2) A.C.A. 23-74-101, et seq. relating to fraternal benefit societies;*  
25 *(3) A.C.A. 23-75-101, et seq. pertaining to hospital medical service*  
26 *corporations;*  
27 *(4) A.C.A. 23-76-101, et seq. pertaining to health maintenance*  
28 *organizations;*  
29 *(5) the Motor Vehicle Safety Responsibility Act, A.C.A. 27-19-101, et*  
30 *seq. and A.C.A. 27-22-102, et seq.;*  
31 *(6) the Arkansas Workers Compensation Law, A.C.A. 11-9-101, et seq.;*  
32 *and*  
33 *(7) any successor law of the foregoing.*  
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35 *SECTION 2. (a) No health insurance policy shall provide an incentive,*  
36 *directly or indirectly, to a physician or physician group as an inducement to:*

1                   (1) Reduce or limit medically necessary services provided with  
2 respect to a patient.

3                   (2) Limit information provide by a physician to a patient  
4 concerning the patient's condition, treatment options, or the possible  
5 consequences of treatment options.

6                   (3) Reduce or limit referrals made by the physician to a  
7 specialist.

8                   (b) A health insurance policy that violates this section shall be  
9 subject to a civil penalty of not more than five thousand dollars (\$5,000) per  
10 violation, after notice and hearing before the Insurance Commissioner.

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12           SECTION 3. Health insurance policy providing coverage for a mastectomy  
13 shall provide, as part of the minimum benefits, coverage for a minimum  
14 hospital stay of forty-eight (48) hours.

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16           SECTION 4. Health insurance policy providing coverage for obstetrical  
17 care shall provide, as part of the minimum benefits, coverage for forty-eight  
18 (48) hours hospital stay after childbirth.

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20           SECTION 5. All provisions of this act of a general and permanent nature  
21 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
22 Revision Commission shall incorporate the same in the Code.

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24           SECTION 6. If any provision of this act or the application thereof to  
25 any person or circumstance is held invalid, such invalidity shall not affect  
26 other provisions or applications of the act which can be given effect without  
27 the invalid provision or application, and to this end the provisions of this  
28 act are declared to be severable.

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30           SECTION 7. All laws and parts of laws in conflict with this act are  
31 hereby repealed.

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33   /s/Rep. McGee, et al

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