

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas

As Engrossed: H2/15/01 H2/22/01 S3/2/01

2 83rd General Assembly

A Bill

3 Regular Session, 2001

HOUSE BILL 1632

4

5 By: Representatives R. Smith, Biggs, Bledsoe, Files

6 By: Senator Riggs

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For An Act To Be Entitled

10 AN ACT TO PROVIDE AN OPTION TO PURCHASE A HEALTH
11 BENEFITS PLAN OR HEALTH POLICY NOT SUBJECT TO
12 STATE MANDATED HEALTH BENEFITS WITH WRITTEN
13 DISCLOSURE IN SALES OF GROUP AND INDIVIDUAL
14 HEALTH INSURANCE CONTRACTS; AND FOR OTHER
15 PURPOSES.

16

17

Subtitle

18

ARKANSAS HEALTH INSURANCE CONSUMER
19 CHOICE ACT.

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

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24 SECTION 1. This act shall be known and cited as the "Arkansas Health
25 Insurance Consumer Choice Act".

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27 SECTION 2. Definitions.

28 For purposes of this act:

29 (1) "Health benefits plan" means any individual, blanket, or group
30 plan, policy, or contract for health care services, issued or delivered by a
31 health care insurer, health maintenance organization, or hospital and medical
32 service corporation, excluding plans, policies, or contracts providing health
33 care benefits or health care services pursuant to Arkansas Constitution,
34 Article 5, § 32, the Workers' Compensation Law, Arkansas Code 11-9-101 - §11-
35 9-911, the Public Employee Workers' Compensation Act, Arkansas Code 21-5-601 -
36 21-5-610, and the no-fault medical and hospital benefit requirements under

1 Arkansas Code 23-89-202; and

2 (2)(A) "State mandated health benefits" means coverages for health care
3 services or benefits, required by state law or state regulations, requiring
4 the reimbursement or utilization related to a specific health illness, injury,
5 or condition of the covered person, or inclusion of a specific category of
6 licensed health care practitioner to be provided to the covered person in a
7 health benefits plan for a health related condition of a covered person.
8 Provided that for the purposes of the options provided by this act, state
9 mandated health benefits which may be excluded in whole or in part shall not
10 include any health care services or benefits which were mandated by Act 34 of
11 1971.

12 (B) "State mandated health benefits" does not mean standard
13 provisions or rights required to be present in a health benefit plan pursuant
14 to state law or regulations unrelated to a specific health illness, injury, or
15 condition of the insured, including but not limited to, those related to
16 continuation of benefits in § 23-86-114, or entitlement to a conversion policy
17 under § 23-86-115.

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19 SECTION 3. Requirements Relating To Offering A Health Benefits Plan Not
20 Subject To State Mandated Health Benefits.

21 (a) Every group accident and health insurer, hospital and medical
22 service corporation, or health maintenance organization transacting health or
23 accident and health insurance in this state may offer as an option, a group
24 health benefits plan which, either in whole or in part, does not provide state
25 mandated health benefits on group health benefits plans under state law.

26 (b) Every accident and health insurer transacting individual major
27 medical insurance in this state may offer as an option an individual health
28 benefits plan which, either in whole or in part, does not provide state
29 mandated health benefits on individual health benefit plans under state law.

30 (c)(1) In each sale of health policies or health contracts in which the
31 proposed insured has selected a health benefits plan which, either in whole or
32 in part, does not provide state mandated health benefits, the accident and
33 health insurer, hospital and medical service corporation, or health
34 maintenance organization shall provide to the proposed insured written notice
35 as required in subsection (d) of this section and shall obtain from the
36 proposed insured, a rejection in writing that the insured or eligible employee

1 of a group policy has rejected a health benefits plan providing state mandated
2 health benefits.

3 (2) The signed rejection shall include a listing of the standard
4 provisions and state mandated health benefits rejected by the insured or
5 eligible employee.

6 (d) The written notice required in subsection (c) of this section shall
7 state in the written application or enrollment form for the health benefits
8 plan the following language in bold type:

9 "You have the option to select an alternative health insurance policy or
10 health plan which is not subject to all of the state mandated health benefits
11 normally required in insurance policies or contracts in Arkansas. Some
12 examples of state mandated health benefits which may be rejected by you
13 include maternity and newborn coverage, in-vitro fertilization, diabetes and
14 pediatric preventative care. Please consult your agent as to which state
15 health benefits are excluded in this policy. This alternative health insurance
16 policy or contract may provide a more affordable health insurance policy for
17 you although, at the same time, it may provide you with fewer health benefits
18 coverages than those normally imposed on health insurance policies in
19 Arkansas. If you select this option, please consult with your insurance agent
20 to discover the degree to which the alternative health insurance policy or
21 contract does not provide health and medical benefits equal to those policies
22 subject to state mandated health benefits. If you are eligible for a health
23 insurance policy, your insurance agent may offer you an alternative health
24 insurance policy or health plan not fully subject to state mandated benefits."

25 (e) Failure to provide the written notice or rejection as required in
26 this section shall result in the proposed insured, enrollee, or certificate
27 holder selecting a health benefits plan subject to all applicable state
28 mandated health benefits and services.

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30 SECTION 4. (a) The Insurance Commissioner shall issue a report by June
31 31 and December 31 of each year to the Senate and House Insurance and Commerce
32 Interim Committees.

33 (b) The report shall include the number of policies written in the
34 State of Arkansas with the limited mandate option and the number of policies
35 written in the State of Arkansas with the full mandate option.

36 (c) Every health insurer licensed to conduct business in this state

1 shall provide to the Insurance Commissioner any information requested by the
2 Insurance Commissioner in order to issue its report to the Senate and House
3 Insurance and Commerce Interim Committees.

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SECTION 5. Rules and Regulations.

The Insurance Commissioner may promulgate regulations necessary to
implement the provisions of this act.

/s/ R. Smith