1	State of Arkansas	As Engrossed: H2/21/01 H2/22/01	
2	83rd General Assembly	A Bill	
3	Regular Session, 2001		HOUSE BILL 1674
4			
5	By: Representatives Clevelan	nd, Prater, McMellon, Verkamp, Borhauer	
6	By: Senators Wilkinson, Trus	rty	
7			
8			
9		For An Act To Be Entitled	
10	AN ACT TO	ESTABLISH A RURAL HEALTH ACCESS	PI LOT
11	PROGRAM; A	ND FOR OTHER PURPOSES.	
12			
13		Subtitle	
14	TO ES	STABLISH A RURAL HEALTH ACCESS P	PI LOT
15	PROGR	RAM.	
16			
17			
18	BE IT ENACTED BY THE G	ENERAL ASSEMBLY OF THE STATE OF	ARKANSAS:
19			
20	SECTION 1. <u>(a)</u>	The General Assembly finds tha	<u>t:</u>
21	<u>(1) The S</u>	tate of Arkansas currently rank	s fiftieth (50 <sup>th</sup> ) among
22	the fifty (50) states	for having the least healthy po	pul ati on;
23	<u>(2) A maj</u>	or contributing factor to the s	tate's low health ranking
24	is its high percentage	of uninsured persons;	
25	(3) There	is a significant gap in the st	ate's health care "safety
26	net", especially with	regard to working adults with l	<u>ow incomes; and</u>
27		elationships are needed between	
28	<u>communities</u> , <u>public an</u>	d private service agencies and	<u>uninsured persons in this</u>
29	state so that health c	are services for the uninsured	will be more accessible,
30	more affordable and mo	<u>re effective.</u>	
31	<u>(b) Therefore,</u>	there is established the Rural	Health Access Pilot
32	Program as a bridge co	Program as a bridge connecting and assisting government, communities and	
33	<u>citizens to build a mo</u>	re comprehensive and responsible	e health care system,
34	which seeks to expand	access and education with regard	d to health services for
35	economically disadvant	aged, uninsured, working adults	<u>.</u>
36			

\*RRS286\*

1	SECTION 2. <u>Definitions.</u>
2	As used in this act:
3	(1) "Local", and words of similar import, means of, based in, located
4	in, or primarily relating to the rural community to be served by the rural
5	health access pilot program initiated by a rural health cooperative;
6	(2) "Medically underserved" means a designation made by the U. S.
7	Health Resources and Services Administration in accordance with the following
8	<u>factors:</u>
9	(A) The percent of the population living below the federal
10	poverty line;
11	(B) The percent of the population that is sixty-five (65) years
12	of age or older;
13	(C) The infant mortality rate; and
14	(D) The ratio of primary care physicians to the population;
15	(3) "Rural Community" means an unlimited number of geographically
16	contiguous political subdivisions that are considered medically underserved
17	and in which the total population does not exceed sixty thousand (60,000)
18	persons;
19	(4) "Rural Health Network" means a system organized by a rural health
20	cooperative and at least three (3) separately-owned local health care
21	providers or other entities that provide or support the delivery of health
22	care services when such system is established and maintained as part of a
23	rural health access pilot program and for the purpose of expanding access to
24	health care in a rural community, coordinating the delivery of health care in
25	a rural community or improving the quality of health care in a rural
26	community; and
27	(5) "Rural Health Cooperative" means a non-profit corporation organized
28	under the laws of this state that undertakes to establish, maintain, and
29	operate a rural health access pilot program through a rural health network, or
30	combination of networks, whereby hospital, medical, health education, and
31	other health care services may be furnished by or through provider members of
32	the rural health network to such of the uninsured residents of that rural
33	community as become members of the rural health access pilot program under
34	contracts which entitle each member to such services.
35	

SECTION 3. (a) A rural health access cooperative shall administer its

1	program in a manner that:
2	(1) Defines the population that may receive subsidized services
3	provided through the program by limiting program eligibility to adults between
4	the ages of eighteen (18) and sixty-five (65) who:
5	(A) Are residents of the rural community being served by
6	the rural health access pilot program;
7	(B) Are without health care coverage;
8	(C) Are not eligible for Medicare, Medicaid, Veterans
9	Benefits, or other similar government programs;
10	(D) Have an income not exceeding two hundred percent (200%)
11	of the federal poverty guidelines for the State of Arkansas; and
12	(E) Meet certain medical underwriting requirements
13	established by the board of directors of the rural health cooperative;
14	(2) Defines the population that may receive unsubsidized services
15	provided through the program by limiting program eligibility to adults between
16	the ages of eighteen (18) and sixty-five (65) and their dependent children
17	who:
18	(A) Are residents of the rural community being served by
19	the rural health access pilot program;
20	(B) Are without health care coverage;
21	(C) Are not eligible for Medicare, Medicaid, ARKids First,
22	Veterans Benefits, or other similar government programs;
23	(D) Have an income not exceeding three hundred percent
24	(300%) of the federal poverty guidelines for the State of Arkansas or are a
25	full-time employee of the rural health cooperative; and
26	(E) Meet certain medical underwriting requirements
27	established by the board of directors of the rural health cooperative;
28	(3) Provides as a condition of eligibility for the automatic
29	assignment to the rural health cooperative of medical payment due the client
30	member of the rural health access program;
31	(4) Defines the services to be covered under the rural health
32	access program; and
33	(5) Establishes co-payments for services received by client
34	members of the rural health access program.
35	(b) A rural health cooperative shall limit the total number of client
36	members in a rural health access pilot program to a maximum of three thousand

1	(3,000) eligible adults and eligible dependent children.
2	(c) To promote the most efficient use of resources, rural health
3	cooperatives shall emphasize in client member and provider member agreements
4	disease prevention, early diagnosis and treatment of medical problems, and
5	community care alternatives for individuals who would otherwise be at risk to
6	be institutionalized.
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8	SECTION 4. Rural health cooperatives shall actively participate with
9	Area Health Education Center programs, whenever feasible, in developing and
10	implementing recruitment, training, and retention programs directed at
11	positively influencing the supply and distribution of health care
12	professionals serving in or receiving training in rural health network areas.
13	
14	SECTION 5. (a) The board of directors of a rural health cooperative
15	shall include representatives of:
16	(1) Administrators of hospitals that have contracted with the
17	rural health cooperative as provider members to render hospital services to
18	client members of the rural health access program;
19	(2) Physicians who have contracted with the rural health
20	cooperative as provider members to render medical services to client members
21	of the rural health access program;
22	(3) Non-physician and non-hospital based health care providers or
23	educators who have contracted with the rural health cooperative as provider
24	members to render health services, health education and other similar services
25	to client members of the rural health access program; and
26	(4) The rural community, exclusive of provider representatives.
27	(b) A rural health cooperative shall maintain an active advisory
28	committee that includes representatives of client members of the rural health
29	access pilot program.
30	
31	SECTION 6. A rural health cooperative shall have power to make
32	donations for the public welfare or for charitable, scientific, or educational
33	purposes, subject to such limitations, if any, as may be contained in its
34	articles of incorporation or any amendment thereto.
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SECTION 7. (a) In order to demonstrate viability and effectiveness, a

1	rural health cooperative shall collect data and make a report to the Senate
2	and House Committees on Insurance and Commerce, Senate and House Committees on
3	Public Health, Welfare and Labor, and Senate and House Committees on City,
4	County, and Local Affairs.
5	(b) Data shall include:
6	(1) The results of client member surveys;
7	(2) The results of provider member surveys;
8	(3) The results of community need assessment surveys; and
9	(4) Such other data as may be relevant to the rural health access
10	program.
11	(c) The report shall include recommendations with regard to criteria
12	and priorities for improvement and expansion of the rural health access
13	program.
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15	SECTION 8. No rural health cooperative shall be deemed to be engaged in
16	the corporate practice of medicine.
17	
18	SECTION 9. No liability on the part of, and no cause of action of any
19	nature shall arise against any member of the board of directors of a rural
20	health cooperative or against an employee or agent of a rural health
21	cooperative for any lawful action taken by them in the performance of their
22	administrative powers and duties under this act.
23	
24	SECTION 10. (a) Rural health cooperatives shall not be considered or
25	regulated as any type of entity governed by Title 23 of the Arkansas Code.
26	None of the programs offered by a rural health cooperative shall be subject to
27	regulation under Title 23 of the Arkansas Code.
28	(b) Any entity subject to regulation under Title 23 of the Arkansas
29	Code that contracts with a rural health cooperative to provide or to arrange
30	for the provision of secondary or tertiary services to client members of a
31	rural health access pilot program shall not be required to comply with any
32	provision of Title 23 of the Arkansas Code that mandates the provision of
33	certain benefits or mandates the provision of a certain level of benefits, or
34	both, with regard to the client members of a rural health access pilot
35	program.

1	SECTION 11. This act shall automatically expire on June 30, 2003,
2	unless a Medicaid Section 1115 waiver is granted for its continuation or
3	unless extended by the General Assembly.
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5	SECTION 12. EMERGENCY CLAUSE. It is found and determined by the
6	General Assembly that the availability of a continuum of quality health care
7	services, including preventive, primary, secondary, tertiary, and long term
8	care is essential to the economic and social vitality of rural communities;
9	that in many rural communities access to such health care services is limited
10	and the quality of health care services is negatively affected by inadequate
11	financing, difficulty in recruiting and retaining skilled health
12	professionals, and the migration of patients to urban areas for general acute
13	care and specialty services; that the efficient and effective delivery of
14	health care services to the uninsured in rural areas requires the integration
15	of public and private resources and the coordination of health care providers
16	that currently state statutory law does not provide the flexibility necessary
17	to accomplish such integration and coordination in a cost-effective manner;
18	that the ability to create rural health cooperatives to organize rural health
19	networks can help to alleviate many of the problems identified with the
20	delivery of quality health care in rural communities; that rural health
21	cooperatives and their networks may serve as public "laboratories" to
22	determine the best way of organizing rural health services so that the state
23	can move closer to ensuring that everyone has access to health care while
24	promoting cost containment efforts; and the immediate passage of this act is
25	necessary to provide a statutory framework for the establishment of rural
26	health cooperatives to accomplish the objectives heretofore described.
27	Therefore, an emergency is declared to exist and this act being immediately
28	necessary for the preservation of the public peace, health and safety shall
29	become effective on the date of its approval by the Governor. If the bill is
30	neither approved nor vetoed by the Governor, it shall become effective on the
31	expiration of the period of time during which the Governor may veto the bill.
32	If the bill is vetoed by the Governor and the veto is overridden, it shall
33	become effective on the date the last house overrides the veto.
34	/s/ Cleveland, et al.
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