

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: H2/26/01 S3/7/01 S4/5/01 S4/10/01*

2 83rd General Assembly

# A Bill

3 Regular Session, 2001

HOUSE BILL 1792

4

5 By: Representatives Magnus, R. Smith, Biggs

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## For An Act To Be Entitled

9 AN ACT TO ESTABLISH THE ARKANSAS ADVISORY  
10 COMMISSION ON MANDATED HEALTH INSURANCE BENEFITS;  
11 AND FOR OTHER PURPOSES.

12

13

## Subtitle

14 AN ACT TO ESTABLISH THE ARKANSAS ADVISORY  
15 COMMISSION ON MANDATED HEALTH INSURANCE  
16 BENEFITS.

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18

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

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21 SECTION 1. Purpose.

22 It is the intent of the General Assembly to encourage health care cost  
23 containment while preserving the quality of care offered to citizens of this  
24 state. The General Assembly finds that there is an increasing number of  
25 proposals which mandate that certain health insurance benefits be provided by  
26 insurers as components of individual and group accident and health policies.

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28 SECTION 2. Commission Established.

29 The Arkansas Advisory Commission on Mandated Health Insurance Benefits  
30 is established to advise the Governor and the General Assembly on the social,  
31 medical, and financial impact of current and proposed mandated benefits and  
32 providers.

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34 SECTION 3. Appointment of Members – Eligibility - Terms.

35 (a) The Advisory Commission shall be comprised of fourteen (14)  
36 members.

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2 (1) Five (5) members shall be appointed by the Governor as  
3 follows:

4 (A) One (1) member who is a physician;

5 (B) One (1) member who is representative from the Insurance  
6 Department;

7 (C) One (1) member with individual health insurance; and

8 (D) Two (2) members of the general public.

9 (2) Five (5) members shall be appointed by the President Pro  
10 Tempore of the Senate as follows:

11 (A) One (1) member who is a representative of a general  
12 acute care hospital;

13 (B) One (1) member who is a representative of a major  
14 industry;

15 (C) One (1) member who is a representative of the accident  
16 and health insurance industry;

17 (D) One (1) member who is a dentist; and

18 (E) One (1) member who is a representative of organized  
19 labor.

20 (3) Four (4) members shall be appointed by the Speaker of the  
21 House of Representatives.

22 (A) One (1) member who is a representative of a small  
23 business;

24 (B) One (1) member who is a licensed accident and health  
25 insurance agent;

26 (C) One (1) member who is a representative of the accident  
27 and health insurance industry; and

28 (D) One (1) member who is a licensed Chiropractor.

29 (b)(1) All members shall be appointed for terms of four (4) years each,  
30 except for the initial term provided for in subdivision (3) of this  
31 subsection.

32 (2) Appointments to fill vacancies shall be made for the  
33 remainder of an unexpired term only.

34 (3) The initial terms shall be staggered and shall begin  
35 September 1, 2001, with seven (7) members serving an initial term of two (2)  
36 years and the seven (7) remaining members serving an initial term of four (4)

1 years. The initial terms shall be determined by lot.

2 (4) No person shall be eligible to serve more than two (2)  
3 successive terms, or a portion thereof. However, members may be appointed to  
4 additional successive terms after a one (1) year break in service.

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6 SECTION 4. Commission Meetings.

7 The Arkansas Advisory Commission on Mandated Health Insurance Benefits  
8 shall meet quarterly or at the request of the Governor. At the first meeting,  
9 which shall be held within thirty (30) days after the appointment of the  
10 commission, shall select a chair and a vice chair from its membership.

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12 SECTION 5. Duties of the Commission.

13 The Arkansas Advisory Commission on Mandated Health Insurance Benefits  
14 shall assess the social, medical, and financial impacts of a proposed mandated  
15 health insurance service. In assessing a proposed mandated health insurance  
16 service and to the extent that information is available, the commission shall  
17 consider:

18 (1) Social impact, including:

19 (A) The extent to which the service is generally utilized by a  
20 significant portion of the population;

21 (B) The extent to which the insurance coverage is already  
22 generally available;

23 (C) If coverage is not generally available, the extent to which  
24 the lack of coverage results in individuals avoiding necessary health care  
25 treatments;

26 (D) If coverage is not generally available, the extent to which  
27 the lack of coverage results in unreasonable financial hardship;

28 (E) The level of public demand for the service;

29 (F) The level of public demand for insurance coverage of the  
30 service;

31 (G) The level of interest of collective bargaining agents in  
32 negotiating privately for inclusion of this coverage in group contracts; and

33 (H) The extent to which the mandated health insurance service is  
34 covered by self-funded employer groups;

35 (2) Medical impacts, including:

36 (A) The extent to which the service is generally recognized by

1 the medical community as being effective and efficacious in the treatment of  
2 patients;

3 (B) The extent to which the service is generally recognized by  
4 the medical community as demonstrated by a review of scientific and peer  
5 review literature; and

6 (C) The extent to which the service is generally available and  
7 utilized by treating physicians; and

8 (3) Financial impacts, including:

9 (A) The extent to which the coverage will increase or  
10 decrease the cost of the service;

11 (B) The extent to which the coverage will increase the  
12 appropriate use of the service;

13 (C) The extent to which the mandated service will be a  
14 substitute for a more expensive service;

15 (D) The extent to which the coverage will increase or  
16 decrease the administrative expenses of insurers and the premium and  
17 administrative expenses of policyholders;

18 (E) The impact of this coverage on the total cost of health  
19 care; and

20 (F) The impact of all mandated health insurance services on  
21 employers' ability to purchase health benefits policies meeting their  
22 employees' needs.

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24 SECTION 6. Contract Services.

25 The Arkansas Advisory Commission on Mandated Health Insurance Benefits  
26 may contract for actuarial services and other professional services as needed.

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28 SECTION 7. Staff Assistance.

29 The State Insurance Department and other state agencies, as may be  
30 considered appropriate by the Arkansas Advisory Commission on Mandated Health  
31 Insurance Benefits, shall provide staff assistance to the commission.

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33 SECTION 8. Submission of Report.

34 On or before December 31, 2002, and each December 31 immediately  
35 preceding a regular session of the General Assembly, the Arkansas Advisory  
36 Commission on Mandated Health Insurance Benefits shall submit a report on its

1 findings, including any recommendations, to the Governor and the General  
2 Assembly.

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4 SECTION 9. EMERGENCY CLAUSE. It is found and determined by the General  
5 Assembly of the State of Arkansas that a thorough review and analysis of  
6 various mandated health insurance benefits is essential to the economic and  
7 personal well-being of the citizens of the State of Arkansas; that the  
8 establishment and continuation of a program to accomplish a review and  
9 analysis is critical for the provision of viable insurance products offered in  
10 this state; and that a delay in the effective date of this act beyond July 1,  
11 2001, could work irreparable harm upon the proper administration and provision  
12 of this essential government program. Therefore, an emergency is declared to  
13 exist and this act being immediately necessary for the preservation of the  
14 public peace, health and safety shall become effective on the date of its  
15 approval by the Governor. If the bill is neither approved nor vetoed by the  
16 Governor, it shall become effective on the expiration of the period of time  
17 during which the Governor may veto the bill. If the bill is vetoed by the  
18 Governor and the veto is overridden, it shall become effective on the date the  
19 last house overrides the veto.

20 */s/ Magnus*