

1 State of Arkansas  
2 88th General Assembly  
3 Regular Session, 2011  
4

As Engrossed: H2/28/11 S3/8/11

# A Bill

HOUSE BILL 1428

5 By: Representative D. Hutchinson  
6 By: Senator J. Hutchinson  
7

## For An Act To Be Entitled

9 AN ACT TO REQUIRE CHILD-ONLY INDIVIDUAL HEALTH  
10 INSURANCE POLICIES; TO DECLARE AN EMERGENCY; AND FOR  
11 OTHER PURPOSES.  
12  
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### Subtitle

15 TO REQUIRE CHILD-ONLY INDIVIDUAL HEALTH  
16 INSURANCE POLICIES AND TO DECLARE AN  
17 EMERGENCY.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 *SECTION 1. TEMPORARY LANGUAGE. DO NOT CODIFY.*

23 *Health insurance for individuals under nineteen years of age.*

24 *(a) As used in this act:*

25 *(1)(A) "Child-only plan" means renewable individual health*  
26 *insurance for a qualified individual other than excepted benefits as defined*  
27 *in § 23-86-310.*

28 *(B) "Child-only plan" does not include dependent health*  
29 *insurance for a qualified individual under another person's health insurance;*

30 *(2)(A) "Health insurance" means any hospital and medical*  
31 *expense-incurred policy, certificate, or contract provided by an insurer,*  
32 *hospital or medical service corporation, health maintenance organization, or*  
33 *any other health care plan or arrangement that pays for or furnishes medical*  
34 *or health care services whether by insurance or otherwise and includes any*  
35 *excess or stop-loss coverage.*

36 *(B) "Health insurance" does not include long-term care,*



1 disability income, short-term, accident, dental-only, vision-only, fixed  
2 indemnity, limited-benefit or credit insurance, coverage issued as a  
3 supplement to liability insurance, insurance arising out of workers'  
4 compensation or similar law, automobile medical-payment insurance, or  
5 insurance under which benefits are payable with or without regard to fault  
6 and that is statutorily required to be contained in any liability insurance  
7 policy or equivalent self-insurance;

8 (3) "Individual health insurance" means health insurance offered  
9 to individuals in the individual market but does not include short-term  
10 limited duration insurance;

11 (4)(A) "Insurer" means any entity that provides health  
12 insurance, including excess or stop-loss health insurance, in the State of  
13 Arkansas.

14 (B) "Insurer" includes an insurance company, medical  
15 services plans, hospital plans, hospital medical service corporations, health  
16 maintenance organizations, fraternal benefits society, or any other entity  
17 providing a plan of health insurance or health benefits subject to state  
18 insurance regulation;

19 (5) "Open enrollment period" means October 1 through October 31  
20 annually, beginning October 1, 2011;

21 (6) "Qualifying event" means the loss of employer-sponsored  
22 health insurance or the involuntary loss of other existing health insurance  
23 for any reason other than fraud, misrepresentation, or failure to pay a  
24 premium if the applicant is a qualified individual when the qualifying event  
25 occurs; and

26 (7)(A) "Qualified individual" means a resident of this state  
27 under nineteen (19) years of age.

28 (B) "Qualified individual" does not include a person who  
29 is not a United States citizen or who is present in the United States  
30 illegally.

31 (b)(1) An insurer shall establish and administer the open enrollment  
32 period for the purpose of offering a child-only plan to each qualified  
33 individual.

34 (2) During the open enrollment period and within thirty (30)  
35 days of a qualifying event, an insurer shall accept and grant an application  
36 to insure a qualified individual for a child-only plan on a guaranteed-issue

1 basis without any limitations or exclusions of policy benefits based upon the  
2 applicant's health status.

3 (c)(1) Until the end of the initial open enrollment period, the  
4 Arkansas Comprehensive Health Insurance Pool shall provide health insurance  
5 to qualified individuals under § 23-79-509(a)(1)(C).

6 (2) At the end of the initial open enrollment period, the  
7 eligibility of a qualified individual for health insurance under the Arkansas  
8 Comprehensive Health Insurance Pool shall be determined under policies and  
9 procedures established by the Board of Directors of the Arkansas  
10 Comprehensive Health Insurance Pool.

11 (d) The Insurance Commissioner shall adopt rules to implement and  
12 administer this act.

13 (e) This act and the rules adopted by the commissioner to administer  
14 this act expires on January 1, 2014.

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16 SECTION 2. Arkansas Code § 23-79-509(a)(1), concerning the general  
17 eligibility requirements of the Arkansas Comprehensive Health Insurance Pool,  
18 is amended to read as follows:

19 (a) General Eligibility Requirements. The following requirements  
20 apply to a resident eligible person or a trade adjustment assistance eligible  
21 person in order for the person to be eligible for plan coverage:

22 (1) Except as provided in subdivision (a)(2) of this section or  
23 subsection (b) of this section, any individual person who meets the  
24 definition of resident eligible person as defined by § 23-79-503 or a trade  
25 adjustment assistance eligible person as defined by § 23-79-503 and is either  
26 a citizen of the United States or an alien lawfully admitted for permanent  
27 residence who continues to be a resident of this state shall be eligible for  
28 plan coverage if evidence is provided of:

29 (A) A notice of rejection or refusal by an insurer to  
30 issue substantially similar individual health insurance coverage by reason of  
31 the existence or history of a medical condition or upon such other evidence  
32 that the Board of Directors of the Arkansas Comprehensive Health Insurance  
33 Pool deems sufficient in order to verify that the applicant is unable to  
34 obtain the coverage from an insurer due to the existence or history of a  
35 medical condition;

36 (B)(i) A refusal by an insurer to issue individual health

1 insurance coverage except at a rate that the board determines is  
2 substantially in excess of the applicable plan rate.

3 (ii) A rejection or refusal by a group health plan  
4 or insurer offering only stop-loss or excess-of-loss insurance or contracts,  
5 agreements, or other arrangements for reinsurance coverage with respect to  
6 the applicant shall not be sufficient evidence under this subsection; ~~or~~

7 (C)(i) Until September 30, 2011, a refusal by an insurer  
8 to issue individual health insurance coverage to a child under nineteen (19)  
9 years of age.

10 (ii) After September 30, 2011, the eligibility of a  
11 child under nineteen (19) years of age for individual health insurance  
12 coverage shall be determined by the board; or

13 (D) Evidence that the applicant was covered under a  
14 qualified high risk pool of another state, provided that the coverage  
15 terminated no more than sixty-three (63) days prior to the date the pool  
16 receives the applicant's application for coverage and the other state's  
17 qualified high risk pool did not terminate the person's coverage for fraud;

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19 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
20 General Assembly of the State of Arkansas that recent changes in federal law  
21 prohibit health insurers from imposing preexisting-condition exclusions on  
22 individuals under nineteen (19) years of age; that there exists a limited  
23 market in this state of health insurers voluntarily offering individual  
24 health insurance policies to individuals under nineteen (19) years of age;  
25 that children with preexisting conditions may be unable to obtain any health  
26 insurance coverage; and that this act is immediately necessary because the  
27 lack of health insurance coverage results in the children of this state  
28 receiving inadequate medical care, foregoing wellness treatment and medical  
29 procedures, and experiencing declining health, with potentially devastating  
30 consequences to the future health and welfare of our state. Therefore, an  
31 emergency is declared to exist, and this act being immediately necessary for  
32 the preservation of the public peace, health, and safety shall become  
33 effective on:

34 (1) The date of its approval by the Governor;

35 (2) If the bill is neither approved nor vetoed by the Governor,  
36 the expiration of the period of time during which the Governor may veto the

1 bill; or

2 (3) If the bill is vetoed by the Governor and the veto is  
3 overridden, the date the last house overrides the veto.

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5 /s/D. Hutchinson

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