

1 State of Arkansas  
2 88th General Assembly  
3 Regular Session, 2011  
4  
5 By: Senator J. Dismang

# A Bill

SENATE BILL 807

## For An Act To Be Entitled

8 AN ACT TO AMEND ARKANSAS LAW CONCERNING ACCOUNTABLE  
9 CARE ORGANIZATIONS; TO DECLARE AN EMERGENCY; AND FOR  
10 OTHER PURPOSES.

## Subtitle

14 TO AMEND ARKANSAS LAW CONCERNING  
15 ACCOUNTABLE CARE ORGANIZATIONS AND TO  
16 DECLARE AN EMERGENCY.

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

21 SECTION 1. Arkansas Code Title 4, Chapter 29 is amended to add an  
22 additional subchapter to read as follows:

23 4-29-501. Title.

24 This subchapter shall be known and may be cited as "The Accountable  
25 Care Organization Act of 2011".

27 4-29-502. Purpose.

28 The purpose of this subchapter is to:

29 (1) Require that accountable care organizations ensure that  
30 medical decisions are not based on commercial interests but on professional  
31 medical judgment that puts first the interests of patients; and

32 (2) Allow collaborative efforts between physicians, hospitals,  
33 and other qualified providers to form accountable care organizations as long  
34 as those arrangements ensure that health care decisions are made by health  
35 care professionals.



1 4-29-503. Definitions.

2 As used in this subchapter:

3 (1) "Accountable care organization" means a group of health care  
4 providers:

5 (A) That is intended to be associated with a defined  
6 population of patients;

7 (B) That is accountable for the quality and cost of care  
8 that is delivered to a defined population of patients; and

9 (C) Through which the health care providers share in  
10 savings created by:

11 (i) Improving the quality of care to the defined  
12 population of patients; and

13 (ii) Reducing the growth of the cost of care  
14 delivered to the defined population;

15 (2) "Health care professional" means a health care practitioner  
16 licensed by the State of Arkansas; and

17 (3) "Physician" means a doctor of medicine or doctor of  
18 osteopathy licensed by the Arkansas State Medical Board whose primary  
19 professional activities consist of direct patient care in the State of  
20 Arkansas.

21  
22 4-29-504. Organizational requirements.

23 (a) An accountable care organization operating in Arkansas shall be  
24 formed as a legal business entity.

25 (b) If a non-physician owned business entity is part of an accountable  
26 care organization, the accountable care organization shall be a separate  
27 legal entity with a separate and independent governing body.

28 (c)(1) An accountable care organization operating in Arkansas shall  
29 have a board of directors or similar governing body.

30 (2) The members of the board of directors or similar governing  
31 body of the accountable care organization shall be elected by the health care  
32 professionals participating in the accountable care organization.

33 (3)(A) At least fifty percent (50%) of the board of directors or  
34 similar governing body shall be comprised of physicians who are participating  
35 in the accountable care organization.

36 (B) This section shall not require or prohibit the

1 inclusion of non-physician health care professionals or hospitals in the  
2 remaining membership of the board of directors or similar governing body.

3  
4 SECTION 2. Arkansas Code § 20-9-501 is amended to read as follows:  
5 20-9-501. Definition.

6 As used in this subchapter, "peer review committee" or "committee"  
7 means a committee of a hospital medical staff, ~~or~~ a committee of a state or  
8 local professional association, or a committee of an accountable care  
9 organization under § 4-29-501 et seq. that is formed to:

10 (1) Evaluate and improve the quality of health care rendered by  
11 providers of health services; or

12 (2) Determine that:

13 (A) Health services rendered were professionally indicated  
14 or were performed in compliance with the applicable standard of care; or

15 (B) The cost of health care rendered was considered  
16 reasonable by the providers of professional health services in the area.

17  
18 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
19 General Assembly of the State of Arkansas that this act provides for  
20 accountable care organizations to be structured and operated in a manner that  
21 protects professional judgment and decision-making by health care  
22 professionals; that unless accountable care organizations are so organized,  
23 they will be unable to adequately protect patient interests; that protecting  
24 patient relationships and the professional judgment of health care  
25 professionals will protect and improve patient care; and that the protections  
26 for professional judgment and improvements to patient care provided under  
27 this act should become effective as soon as possible to benefit the citizens  
28 of the State of Arkansas. Therefore, an emergency is declared to exist and  
29 this act being immediately necessary for the preservation of the public  
30 peace, health, and safety shall become effective on:

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

32 (2) If the bill is neither approved nor vetoed by the Governor,  
33 the expiration of the period of time during which the Governor may veto the  
34 bill; or

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