

1 State of Arkansas *As Engrossed: S2/25/15 H3/12/15 H3/16/15*  
2 90th General Assembly **A Bill**  
3 Regular Session, 2015

SENATE BILL 487

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5 By: Senators Rapert, Caldwell, J. Hutchinson, Maloch, G. Stubblefield, *J. Hendren*  
6 By: Representatives D. Douglas, Broadaway, Eubanks, D. Ferguson, Jett, Vaught

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8 **For An Act To Be Entitled**

9 AN ACT TO MODIFY THE DEFINITION OF A THIRD-PARTY  
10 ADMINISTRATOR USED BY MULTIPLE EMPLOYER TRUSTS AND  
11 SELF-INSURED PLANS; AND FOR OTHER PURPOSES.

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14 **Subtitle**

15 TO MODIFY THE DEFINITION OF A THIRD-PARTY  
16 ADMINISTRATOR USED BY MULTIPLE EMPLOYER  
17 TRUSTS AND SELF-INSURED PLANS.

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

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22 SECTION 1. Arkansas Code § 23-92-201 is amended to read as follows:  
23 23-92-201. Definition.

24 (a) As used in this subchapter, ~~“third party administrator” means any:~~

25 (1) “Third-party administrator” means a person, firm, or  
26 partnership that collects or charges premiums from or adjusts or settles  
27 claims on residents of this state in connection with life or accident and  
28 health coverage provided by a self-insured plan or a multiple *employer trust*  
29 or multiple employer welfare arrangement;

30 (2) “Pharmacy benefits manager” means an entity that administers  
31 or manages a pharmacy benefits plan or program; and

32 (3) “Pharmacy benefits plan or program” means a plan or program  
33 that pays for, reimburses, covers the cost of, or otherwise provides  
34 pharmacist services to individuals who reside in or are employed in this  
35 state.

36 (b) ~~“Third party~~ As used in this subchapter, “third-party



1 administrator" includes:

2 (1) An administrative-services-only ~~contracts~~ contract offered  
3 by insurers and health maintenance organizations; and

4 (2) A pharmacy benefits manager that administers or manages a  
5 pharmacy benefits plan or program that furnishes, covers the cost of, or  
6 otherwise provides for the practice of pharmacy as defined in § 17-92-101  
7 under any life and accident and health coverage provided in this state by a  
8 self-insured plan, a multiple employer trust, or a multiple employer welfare  
9 arrangement.

10 (c) ~~but~~ As used in this subchapter, "third-party administrator" does  
11 not include the following persons:

12 (1) An employer, for its employees or for the employees of a  
13 subsidiary or affiliated corporation of the employer;

14 (2) A union, for its members;

15 (3) An insurer or health maintenance organization licensed to do  
16 business in this state;

17 (4) A creditor, for its debtors, regarding insurance covering a  
18 debt between them;

19 (5) A credit card-issuing company that advances for or collects  
20 premiums or charges from its credit card holders as long as that company does  
21 not adjust or settle claims;

22 (6) An individual who adjusts or settles claims in the normal  
23 course of his or her practice or employment and who does not collect charges  
24 or premiums in connection with life or accident and health coverage; or

25 (7) An agency licensed by the Insurance Commissioner and  
26 performing duties pursuant to an agency contract with an insurer authorized  
27 to do business in this state.

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29 *SECTION 2. Arkansas Code § 23-92-203, concerning certificates of*  
30 *registration, is amended to add a new subsection to read as follows:*

31 "(g) The provisions in this chapter establishing standards applicable  
32 to a third-party administrator under Arkansas Code § 23-92-203(d) or  
33 fiduciary standards under Arkansas Code § 23-92-206 do not authorize the  
34 Commissioner to regulate the actions of a third-party administrator if the  
35 actions are authorized or required under its administration of a self-insured  
36 plan or trust, or apply or enforce other insurance code provisions, rules or

1 other state laws, through such standards, for purposes of revocation or  
2 suspension of a third-party administrator's certificate.

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4 SECTION 3. Arkansas Code § 23-92-206, concerning collections of  
5 premiums, is amended to add a new subsection to read as follows:

6 (e) This section does not apply to a third-party administrator as  
7 defined in Arkansas Code § 23-92-201(a).

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9 /s/Rapert

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