

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

# A Bill

HOUSE BILL 1298

5 By: Representative L. Johnson  
6 By: Senator Irvin  
7

## For An Act To Be Entitled

8  
9 AN ACT TO MODIFY PAYMENT OF BENEFITS FOR CERTAIN  
10 HEALTHCARE PROVIDERS UNDER A HEALTH BENEFIT PLAN; AND  
11 FOR OTHER PURPOSES.  
12  
13

## Subtitle

14  
15 TO MODIFY PAYMENT OF BENEFITS FOR  
16 CERTAIN HEALTHCARE PROVIDERS UNDER A  
17 HEALTH BENEFIT PLAN.  
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code § 23-85-114 is amended to read as follows:  
22 23-85-114. ~~Payment of claims~~ Payment-of-claims provision.

23 (a) ~~There~~ Except as provided under subsection (c) of this section,  
24 there shall be a provision as follows:

25 "Payment of Claims: Indemnity for loss of life will be payable  
26 in accordance with the beneficiary designation and the provisions respecting  
27 such payment which may be prescribed herein and effective at the time of  
28 payment. If no such designation or provision is then effective, such  
29 indemnity shall be payable to the estate of the insured. Any other accrued  
30 indemnities unpaid at the insured's death may, at the option of the insurer,  
31 be paid either to such beneficiary or to such estate. All other indemnities  
32 will be payable to the insured."

33 (b) ~~The~~ Except as provided under subsection (c) of this section,  
34 either of the following provisions, ~~or either of them,~~ may be included with  
35 ~~the foregoing provision~~ subsection (a) of this section at the option of the  
36 insurer:



1 (1) "If any indemnity of this policy shall be payable to the  
 2 estate of the insured, or to an insured or beneficiary who is a minor or  
 3 otherwise not competent to give a valid release, the insurer may pay such  
 4 indemnity, up to an amount not exceeding \$..... (insert an amount  
 5 which shall not exceed one thousand dollars (\$1,000)), to any relative by  
 6 blood or connection by marriage of the insured or beneficiary who is deemed  
 7 by the insurer to be equitably entitled thereto. Any payment made by the  
 8 insurer in good faith pursuant to this provision shall fully discharge the  
 9 insurer to the extent of payment."

10 (2) "Subject to any written direction of the insured in the  
 11 application or otherwise, all or a portion of any indemnities provided by  
 12 this policy on account of hospital, nursing, medical, or surgical services  
 13 may be paid, at the insurer's option and unless the insured requests  
 14 otherwise in writing not later than the time of filing proofs of such loss,  
 15 directly to the hospital or person rendering such services, but it is not  
 16 required that the service be rendered by a particular hospital or person."

17 (c) An insurer shall pay a claim for any indemnity provided by the  
 18 accident and health insurance policy on account of hospital, nursing,  
 19 medical, or surgical services directly to the healthcare provider that  
 20 provided the service for an out-of-network claim.

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 22 SECTION 2. Arkansas Code § 23-86-104 is amended to read as follows:

23 23-86-104. Blanket accident and health insurance – Payment of  
 24 benefits.

25 (a)(1) ~~All~~ Except as provided under subsection (c) of this section,  
 26 all benefits under any blanket accident and health insurance policy shall be  
 27 payable to the person insured, to the designated beneficiaries, or to his or  
 28 her estate.

29 (2) However, if the person insured is a minor or mental  
 30 incompetent, the benefits may be made payable to the parent, guardian, or  
 31 other person actually supporting the minor or mental incompetent. If the  
 32 entire cost of the insurance has been borne by the employer, the benefits may  
 33 be made payable to the employer.

34 (b)(1) However, except as provided under subsection (c) of this  
 35 section, the policy may provide that all or any portion of any indemnities  
 36 provided by the policy on account of hospital, nursing, medical, or surgical

1 services, at the insurer's option, may be paid directly to the hospital or  
 2 person rendering the services, but the policy ~~may not~~ shall not require that  
 3 the service be rendered by a particular hospital or person.

4 (2) Payment ~~so made shall discharge~~ made under subdivision  
 5 (b)(1) of this section discharges the insurer's obligation with respect to  
 6 the amount of insurance paid.

7 (c) An insurer shall pay a claim for any indemnity provided by the  
 8 policy on account of hospital, nursing, medical, or surgical services  
 9 directly to the healthcare provider that provided the service for an out-of-  
 10 network claim.

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 12 SECTION 3. Arkansas Code § 23-86-112 is amended to read as follows:

13 23-86-112. Group accident and health insurance – Direct payment of  
 14 hospital or medical services.

15 (a) ~~On~~ Except as provided under subsection (c) of this section, on  
 16 request by the group policyholder, any group accident and health insurance  
 17 policy may provide that all or any portion of any indemnities provided by any  
 18 policy on account of hospital, nursing, medical, or surgical services may be  
 19 paid, at the insurer's option, directly to the hospital or person rendering  
 20 such services, but the policy ~~may not~~ shall not require that the service be  
 21 rendered by a particular hospital or person.

22 (b) Payment ~~so made~~ made under subsection (a) of this section shall  
 23 discharge the insurer's obligation with respect to the amount of insurance  
 24 paid.

25 (c) An insurer shall pay a claim for any indemnity provided by the  
 26 policy on account of hospital, nursing, medical, or surgical services  
 27 directly to the healthcare provider that provided the service for an out-of-  
 28 network claim.

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