

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

A Bill

SENATE BILL 221

5 By: Senators B. Davis, J. Dismang, Gilmore, B. Johnson, C. Tucker, D. Wallace, G. Leding
6 By: Representatives L. Johnson, Hudson, Beaty Jr., A. Collins, Achor, K. Brown, Brooks
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For An Act To Be Entitled

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9 AN ACT TO PROHIBIT RISK-BASED PROVIDER ORGANIZATIONS
10 FROM USING CERTAIN TYPES OF CONTRACTING PRACTICES
11 WHEN CONTRACTING WITH PROVIDERS; TO AMEND THE
12 MEDICAID PROVIDER-LED ORGANIZED CARE ACT; TO DECLARE
13 AN EMERGENCY; AND FOR OTHER PURPOSES.
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Subtitle

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17 TO PROHIBIT RISK-BASED PROVIDER
18 ORGANIZATIONS FROM USING CERTAIN TYPES
19 OF CONTRACTING PRACTICES WHEN
20 CONTRACTING WITH PROVIDERS; TO AMEND THE
21 MEDICAID PROVIDER-LED ORGANIZED CARE
22 ACT; AND TO DECLARE AN EMERGENCY.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code Title 20, Chapter 77, Subchapter 27, is
27 amended to add an additional section to read as follows:

28 20-77-2709. Prohibitions on discrimination and tying of services in
29 contracts with risk-based provider organizations – Legislative findings.

30 (a) The General Assembly finds that:

31 (1) Risk-based provider organizations, also known as provider-
32 led shared savings entities, have engaged in unfair tactics with direct
33 service providers;

34 (2) When a provider will not agree to below costs rates for one
35 (1) service, the risk-based provider organization terminates the direct
36 service provider’s network status for all other services;



1 (3) This practice is often referred to as "tying" or "all or
 2 nothing" and restricts access to healthcare services by reducing the number
 3 of providers available to serve individuals with disabilities; and

4 (4) These negotiating tactics diminish or eliminate the ability
 5 of the provider to fairly negotiate rates with the risk-based provider
 6 organization.

7 (b) A risk-based provider organization shall not:

8 (1) Tie contracting for one (1) service to another service
 9 against a direct service provider's will;

10 (2) Penalize, terminate, or refuse network admission to a direct
 11 service provider who agrees to the terms and conditions for at least one (1)
 12 service offered by the risk-based provider organization on the basis that the
 13 provider has declined to provide one (1) or more other services on the terms
 14 and conditions that the direct service provider is not willing to accept; or

15 (3) Discriminate against or penalize in any way a provider for
 16 exercising the rights under this section.

17 (c)(1) A violation of this section is:

18 (A) An unfair trade practice under the Trade Practices
 19 Act, § 23-66-201 et seq.;

20 (B) A violation of the Patient Protection Act of 1995, 23-
 21 99-201 et seq.;

22 (C) A violation of the any willing provider laws under §
 23 23-99-801 et seq.; and

24 (D) A violation of the Unfair Practices Act, § 4-75-201 et
 25 seq.

26 (2) If a healthcare contract with a risk-based provider
 27 organization contains a provision that violates this section, that provision
 28 is void.

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 30 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
 31 General Assembly of the State of Arkansas that contracting and negotiating
 32 practices of risk-based provider organizations are negatively impacting the
 33 ability of providers to deliver healthcare services to Medicaid
 34 beneficiaries; that these practices harm access to healthcare to the most
 35 vulnerable individuals such as individuals with disabilities who need
 36 healthcare services on an ongoing basis; and that this act is immediately

1 necessary to protect the health and safety of the most vulnerable populations
2 in the Arkansas Medicaid Program being served by risk-based provider
3 organizations who are restricting healthcare access. Therefore, an emergency
4 is declared to exist, and this act being immediately necessary for the
5 preservation of the public peace, health, and safety shall become effective
6 on:

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

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

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

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