

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

HOUSE BILL 1515

5 By: Representatives Boyd, Pilkington
6 By: Senator Hester
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For An Act To Be Entitled

9 AN ACT TO AMEND THE MEDICAID PROVIDER-LED ORGANIZED
10 CARE ACT; TO PROHIBIT OWNERSHIP INTEREST IN MORE THAN
11 ONE (1) RISK-BASED PROVIDER ORGANIZATION; AND FOR
12 OTHER PURPOSES.
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Subtitle

15 TO AMEND THE MEDICAID PROVIDER-LED
16 ORGANIZED CARE ACT; AND TO PROHIBIT
17 OWNERSHIP INTEREST IN MORE THAN ONE (1)
18 RISK-BASED PROVIDER ORGANIZATION.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 20-77-2706, concerning the characteristics
25 and duties of risk-based provider organizations within the Medicaid Provider-
26 Led Organized Care Act, is amended to add an additional subsection to read as
27 follows:

28 (g)(1) On and after January 1, 2023, a carrier or participating
29 provider shall not hold, own, or have a beneficial ownership in a related
30 party, holding company, common stock holding, or any similar financial
31 instrument or corporate structure, whether through a subsidiary, parent, or
32 affiliate, with an ownership interest in more than one (1) risk-based
33 provider organization holding a contract with the Arkansas Medicaid Program.

34 (2)(A) For risk-based provider organizations issued contracts
35 with the Arkansas Medicaid Program before July 1, 2021, the carrier or
36 participating provider having beneficial ownership in more than one (1) risk-



1 based provider organization as identified by the Insurance Commissioner shall
 2 eliminate the conflicting ownership by beginning honest, good-faith
 3 negotiations to divest ownership in one (1) or more risk-based organizations
 4 through the purchase or redemption of the ownership interest causing the
 5 conflict on commercially reasonable terms on or before January 1, 2023.

6 (B) The Insurance Commissioner may approve an ownership
 7 transition plan that extends beyond January 1, 2023, regarding transferring
 8 of funds between the parties to ensure compliance with this subsection.

9 (3) For risk-based provider organizations issued contracts with
 10 the Arkansas Medicaid Program on or after July 1, 2021, the Insurance
 11 Commissioner shall not issue a risk-based organization license to any
 12 applicant organized in violation of this subsection.

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