

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

As Engrossed: H3/8/23

A Bill

HOUSE BILL 1272

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

For An Act To Be Entitled

9 AN ACT TO AMEND THE HEALTHCARE CONTRACTING
10 SIMPLIFICATION ACT; TO PROHIBIT A HEALTHCARE INSURER
11 FROM LEASING A HEALTHCARE CONTRACT OR PROVIDER
12 NETWORK; AND FOR OTHER PURPOSES.
13
14

Subtitle

16 TO AMEND THE HEALTHCARE CONTRACTING
17 SIMPLIFICATION ACT; AND TO PROHIBIT A
18 HEALTHCARE INSURER FROM LEASING A
19 HEALTHCARE CONTRACT OR PROVIDER NETWORK.
20
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 *SECTION 1. Arkansas Code § 23-99-1202(4), concerning the definition of*
25 *"health benefit plan" used under the Healthcare Contracting Simplification*
26 *Act, is amended to read as follows:*

27 (4)(A) "Health benefit plan" means a plan, policy, contract,
28 certificate, agreement, or other evidence of coverage for healthcare services
29 offered or issued by a healthcare insurer in this state.

30 (B) "Health benefit plan" includes:

31 (i) A nonfederal governmental ~~plans~~ plan as defined
32 in 29 U.S.C. § 1002(32), as it existed on ~~January 1, 2019~~ January 1, 2023;
33 and

34 (ii) A contract for providing benefits for dental
35 care whether or not the contract is pursuant to:

36 (a) A healthcare insurance policy or



1 certificate;

2 (b) A dental-only plan;

3 (c) A health maintenance organization provider

4 contract; or

5 (d) A managed healthcare plan.

6 (C) "Health benefit plan" does not include:

7 (i) A disability income plan;

8 (ii) A credit insurance plan;

9 (iii) Insurance coverage issued as a supplement to
10 liability insurance;

11 (iv) A medical payment under automobile or
12 homeowners insurance plans;

13 (v) A health benefit plan provided under Arkansas
14 Constitution, Article 5, § 32, the Workers' Compensation Law, § 11-9-101 et
15 seq., or the Public Employee Workers' Compensation Act, § 21-5-601 et seq.;

16 (vi) A plan that provides only indemnity for
17 hospital confinement;

18 (vii) An accident-only plan;

19 (viii) A specified disease plan;

20 (ix) A long-term care only plan; or

21 ~~(x) A dental-only plan; or~~

22 ~~(xi) A vision-only plan;~~

23

24 SECTION 2. Arkansas Code § 23-99-1202(6)(B), concerning the definition
25 of "healthcare insurer" used under the Healthcare Contracting Simplification
26 Act, is amended to read as follows:

27 (B) "Healthcare insurer" includes:

28 (i) An insurance company;

29 (ii) A health maintenance organization;

30 (iii) A hospital and medical service corporation;

31 (iv) A risk-based provider organization; ~~and~~

32 (v) A sponsor of a nonfederal self-funded

33 governmental plan; and

34 (vi) A dental-only plan;

35

36 SECTION 3. Arkansas Code § 23-99-1202(8), concerning the definition of

1 *"healthcare services used under the Healthcare Contracting Simplification*
2 *Act, is amended to read as follows:*

3 (8)(A) "Healthcare services" means services or goods provided
4 for the purpose of or incidental to the purpose of preventing, diagnosing,
5 treating, alleviating, relieving, curing, or healing human illness, disease,
6 condition, disability, or injury.

7 (B) "Healthcare services" includes services for the
8 diagnosis, prevention, treatment, or cure of a dental condition, illness,
9 injury, or disease;

10
11 *SECTION 4. Arkansas Code Title 23, Chapter 99, Subchapter 12, is*
12 *amended to add an additional section to read as follows:*

13 23-99-1210. Healthcare contract or provider network – Prohibition.

14 (a) A healthcare insurer shall not:

15 (1) Lease, rent, or sell a healthcare contract or provider
16 network of a health benefit plan to another healthcare insurer or third-party
17 administrator; or

18 (2) In any manner allow the use of a healthcare contract or
19 provider network of a health benefit plan by another healthcare insurer or
20 third-party administer.

21 (b)(1) A violation of this section is:

22 (A) An unfair trade practice under § 23-66-206; and

23 (B) Subject to the Trade Practices Act, § 23-66-201 et
24 seq.

25 (2) If a healthcare contract contains a provision that violates
26 this section, then the provision under the healthcare contract is void.

27 (c) This section does not apply if a healthcare insurer:

28 (1) Provides notice of the intent to lease, rent, or sell a
29 healthcare contract or provider network of a health benefit plan to another
30 healthcare insurer or third-party administrator;

31 (2) Allows a healthcare provider that is a party to the
32 healthcare contract or provider network of a health benefit plan the
33 opportunity to opt out of participating in the:

34 (A) Proposed lease, rental, or sale of a healthcare
35 contract or provider network of a health benefit plan entirely upon the
36 execution or renewal of the healthcare contract; and

