

Stricken language would be deleted from and underlined language would be added to present law.

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

As Engrossed: H3/18/25

# A Bill

HOUSE BILL 1703

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

## For An Act To Be Entitled

9 AN ACT TO PROVIDE A DRUG REIMBURSEMENT PROCESS FOR  
10 CERTAIN HEALTHCARE PROVIDERS; AND FOR OTHER PURPOSES.  
11

## Subtitle

12  
13 TO PROVIDE A DRUG REIMBURSEMENT PROCESS  
14 FOR CERTAIN HEALTHCARE PROVIDERS.  
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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19 SECTION 1. Arkansas Code Title 23, Chapter 99, is amended to add an  
20 additional subchapter to read as follows:  
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### Subchapter 19 – Drug Reimbursement Process

#### 23-99-1901. Definitions.

##### (a) As used in this subchapter:

26 (1) "Contracting entity" means a healthcare insurer or a  
27 subcontractor, affiliate, or other entity that contracts directly or  
28 indirectly with a healthcare provider for the delivery of healthcare services  
29 to patients;

30 (2)(A) "Drug" means a substance prescribed, administered, or  
31 employed by a healthcare provider that is used to prevent, diagnose, treat,  
32 or relieve symptoms of a disease, injury, or abnormal condition.

33 (B) "Drug" includes a prescription drug, medicine,  
34 biological product, pharmaceutical, radiopharmaceutical, or other medical  
35 supply;

36 (3)(A) "Health benefit plan" means a plan, policy, contract,



1 certificate, agreement, or other evidence of coverage for healthcare services  
2 offered or issued by a healthcare insurer in this state.

3 (B) "Health benefit plan" includes indemnity and managed  
4 care plans.

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

6 (i) A plan that provides only dental benefits or eye  
7 and vision care benefits;

8 (ii) A disability income plan;

9 (iii) A credit insurance plan;

10 (iv) Insurance coverage issued as a supplement to  
11 liability insurance;

12 (v) A medical payment under an automobile or  
13 homeowners insurance plan;

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

17 (vii) A plan that provides only indemnity for  
18 hospital confinement;

19 (viii) An accident-only plan;

20 (ix) A specified disease plan;

21 (x) A long-term-care-only plan; or

22 (xi) Nonfederal governmental plans as defined in 29  
23 U.S.C. § 1002(32), as it existed on January 1, 2025;

24 (4)(A) "Healthcare insurer" means an entity that is subject to  
25 state insurance regulation and provides health insurance in this state.

26 (B) "Healthcare insurer" includes:

27 (i) An insurance company;

28 (ii) A health maintenance organization; or

29 (iii) A hospital and medical service corporation.

30 (C) "Healthcare insurer" does not include an entity that  
31 provides only dental benefits or eye and vision care benefits;

32 (5) "Healthcare provider" means a person or entity that is  
33 licensed, certified, or otherwise authorized by the laws of this state to  
34 provide healthcare services; and

35 (6)(A) "Healthcare services" means services or goods provided  
36 for the purpose of or incidental to the purpose of preventing, diagnosing,

1 treating, alleviating, relieving, curing, or healing human illness, disease,  
2 condition, disability, or injury.

3 (B) "Healthcare services" includes services for the  
4 diagnosis, prevention, treatment, or cure of a condition, illness, injury, or  
5 disease.

6 (C) "Healthcare services" does not include a service  
7 reimbursed through a pharmacy benefits manager licensed under the Arkansas  
8 Pharmacy Benefits Manager Licensure Act, § 23-92-501 et seq.

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10 23-99-1902. Drug reimbursement process.

11 (a)(1) A contracting entity shall provide a reasonable administrative  
12 appeal procedure to allow a healthcare provider to challenge the  
13 reimbursement for a specific drug as being below the healthcare provider's  
14 drug acquisition cost.

15 (2) The reasonable administrative appeal procedure under  
16 subdivision (a)(1) of this section shall include:

17 (A) A dedicated telephone number, email address, and  
18 website for the purpose of submitting an administrative appeal;

19 (B) The ability to submit an administrative appeal  
20 directly to the healthcare insurer or health benefit plan; and

21 (C) The ability to file an administrative appeal no less  
22 than sixty (60) business days following the adjudication of a claim.

23 (b) If a challenge is made under subsection (a) of this section,  
24 within thirty (30) business days of receipt of the challenge, the contracting  
25 entity shall:

26 (1) If the appeal is upheld:

27 (A) Make the change in the reimbursement rate to at least  
28 one hundred ten percent (110%) of the healthcare provider's drug acquisition  
29 cost;

30 (B) Reprocess, or cause the healthcare insurer or health  
31 benefit plan to reprocess, the claim in question at the reimbursement rate  
32 established under subdivision (b)(1)(A) of this section; and

33 (C) Process, or cause the healthcare insurer or health  
34 benefit plan to reprocess, any subsequent claim for the same drug, as  
35 identified by the National Drug Code or Healthcare Common Procedure Coding  
36 System, at the reimbursement rate established in subdivision (b)(1)(A) of

1 this section; or

2 (2) If the appeal is denied, provide the challenging healthcare  
3 provider with the specific information about the basis for the denial,  
4 including without limitation any additional information necessary to  
5 establish the drug acquisition cost.

6 (c) If an appeal is upheld under subdivision (b)(1) of this section, the  
7 rate established by the appeal shall remain in place:

8 (1) For an appeal initiated before the last month of a  
9 contracting entity's fiscal quarter, until the end of the fiscal quarter that  
10 the appeal was initiated; and

11 (2) For an appeal initiated within the last month of a  
12 contracting entity's fiscal quarter, until the end of the fiscal quarter  
13 following the quarter that the appeal was initiated.

14 (d)(1) A healthcare provider may provide a quarterly notice to a  
15 contracting entity of all drugs with an acquisition cost below the contracted  
16 reimbursement rate.

17 (2) If a contracting entity receives notice under subdivision  
18 (d)(1) of this section, the contracting entity may change the reimbursement  
19 rates to at least one hundred ten percent (110%) of the healthcare provider's  
20 drug acquisition cost without an appeal under this section.

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22 /s/L. Johnson  
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