State of Arkansas
96th General Assembly
Regular Session, 2027

A Bill

SENATE BILL 9

By: Senator B. King

For An Act To Be Entitled

AN ACT TO TERMINATE THE ARKANSAS HEALTH AND OPPORTUNITY FOR ME PROGRAM; TO TRANSFER ALL BENEFICIARIES IN THE ARKANSAS HEALTH AND OPPORTUNITY FOR ME PROGRAM TO THE TRADITIONAL ARKANSAS MEDICAID PROGRAM; TO REPEAL THE ARKANSAS HEALTH AND OPPORTUNITY FOR ME ACT OF 2021; AND FOR OTHER PURPOSES.

Subtitle

TO TERMINATE THE ARKANSAS HEALTH AND OPPORTUNITY FOR ME PROGRAM; AND TO TRANSFER ALL BENEFICIARIES IN THE ARKANSAS HEALTH AND OPPORTUNITY FOR ME PROGRAM TO THE TRADITIONAL ARKANSAS MEDICAID PROGRAM.

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

SECTION 1. DO NOT CODIFY. Legislative intent.

It is the intent of the General Assembly to:

(1) Repeal the Arkansas Health and Opportunity for Me Program;

(2) Amend various sections of the Arkansas Code to end Arkansas's participation in the Arkansas Health and Opportunity for Me Program; and

(3) Instruct the Governor to submit a waiver to:

(A) Transfer all individuals enrolled and participating in

the Arkansas Health and Opportunity for Me Program to the traditional Arkansas Medicaid program on and after January 1, 2028; and

(B) Terminate the Arkansas Health and Opportunity for Me Program on December 31, 2027.

SECTION 2. DO NOT CODIFY. Arkansas Health and Opportunity for Me Program — Notification of termination — Transfer of enrollees to the Arkansas Medicaid Program.

(a) The Department of Human Services shall:

(1) Notify all persons enrolled in the Arkansas Health and Opportunity for Me Program as of the effective date of this act that the Arkansas Health and Opportunity for Me Program ended on December 31, 2027;

(2) Inform a new enrollee in the Arkansas Health and Opportunity for Me Program after the effective date of this act that the Arkansas Health and Opportunity for Me Program ended on December 31, 2027; and

(3) Transfer all persons enrolled in the Arkansas Health and Opportunity for Me Program or any person who enrolled in the Arkansas Health and Opportunity for Me Program after December 31, 2027, to coverage under the traditional Arkansas Medicaid Program on January 1, 2028.

(b) The department may prohibit new enrollees in the Arkansas Health and Opportunity for Me Program to begin the transition period before the termination date of December 31, 2027.

(c) On the effective date of this act, the department shall submit any Medicaid state plan amendments and federal waivers necessary to eliminate the eligibility in the Arkansas Health and Opportunity for Me Program after December 31, 2028.

(d) This section does not prohibit the payment of expenses incurred before December 31, 2027, by persons participating in the Arkansas Health and Opportunity for Me Program.

SECTION 3. Arkansas Code § 19-26-319 is repealed.

~~19-26-319. Arkansas Health and Opportunity for Me Program Trust Fund.~~

~~(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "Arkansas Health and Opportunity for Me Program Trust Fund".~~

~~(b) The fund shall consist of:~~

~~(1) Moneys saved and accrued under the Arkansas Health and Opportunity for Me Act of 2021, § 23-61-1001 et seq., including without limitation:~~

~~(A) Increases in premium tax collections; and~~

~~(B) Other spending reductions resulting from the Arkansas Health and Opportunity for Me Act of 2021, § 23-61-1001 et seq.; and~~

~~(2) Other revenues and funds authorized by law.~~

~~(c) The Department of Human Services shall use the fund to pay for future obligations under the Arkansas Health and Opportunity for Me Program created by the Arkansas Health and Opportunity for Me Act of 2021, § 23-61-1001 et seq.~~

SECTION 4. Arkansas Code § 23-61-803(h), concerning the Arkansas Health Insurance Marketplace, is amended to read as follows:

(h) The State Insurance Department and any eligible entity under subdivision (e)(2) of this section shall provide claims and other plan and enrollment data to the Department of Human Services upon request to~~:~~

~~(1) Facilitate~~ facilitate compliance with reporting requirements under state and federal law~~; and~~

~~(2) Assess the performance of the Arkansas Health and Opportunity for Me Program established by the Arkansas Health and Opportunity for Me Act of 2021, § 23-61-1001 et seq., including without limitation the program's quality, cost, and consumer access~~.

SECTION 5. Arkansas Code Title 23, Chapter 61, Subchapter 10, is repealed.

~~Subchapter 10 — Arkansas Health and Opportunity for Me Act of 2021~~

~~23-61-1001. Title.~~

~~This subchapter shall be known and may be cited as the "Arkansas Health and Opportunity for Me Act of 2021".~~

~~23-61-1002. Legislative intent.~~

~~Notwithstanding any general or specific laws to the contrary, it is the intent of the General Assembly for the Arkansas Health and Opportunity for Me Program to be a fiscally sustainable, cost-effective, and opportunity-driven~~

~~program that:~~

~~(1) Achieves comprehensive and innovative healthcare reform that reduces the rate of growth in state and federal obligations for providing healthcare coverage to low-income adults in Arkansas;~~

~~(2) Reduces the maternal and infant mortality rates in the state through initiatives that promote healthy outcomes for eligible women with high-risk pregnancies;~~

~~(3) Promotes the health, welfare, and stability of mothers and their infants after birth through hospital-based community bridge organizations;~~

~~(4) Encourages personal responsibility for individuals to demonstrate that they value healthcare coverage and understand their roles and obligations in maintaining private insurance coverage;~~

~~(5) Increases opportunities for full-time work and attainment of economic independence, especially for previously incarcerated individuals, to reduce long-term poverty that is associated with additional risk for disease and premature death;~~

~~(6) Addresses health-related social needs of Arkansans in rural counties through hospital-based community bridge organizations and reduces the additional risk for disease and premature death associated with living in a rural county;~~

~~(7) Strengthens the financial stability of the critical access hospitals and other small, rural hospitals;~~

~~(8) Fills gaps in the continuum of care for individuals in need of services for serious mental illness and substance use disorders; and~~

~~(9) Recognizes that rebates are an important instrument to ensure affordability and access to pharmaceutical products by eligible individuals and to maximize the use of rebates when available to ensure the fiscal sustainability of the program.~~

~~23-61-1003. Definitions.~~

~~As used in this subchapter:~~

~~(1) "Acute care hospital" means a hospital that:~~

~~(A) Is licensed by the Department of Health under § 20-9-201 et seq., as a general hospital or a surgery and general medical care hospital; and~~

~~(B) Is enrolled as a provider with the Arkansas Medicaid Program;~~

~~(2) "Birthing hospital" means a hospital in this state or in a border state that:~~

~~(A) Is licensed as a general hospital;~~

~~(B) Provides obstetrics services; and~~

~~(C) Is enrolled as a provider with the Arkansas Medicaid Program;~~

~~(3) "Community bridge organization" means a hospital, federally qualified health center, or another organization that is authorized by the Department of Human Services to participate in the economic independence initiative or the health improvement initiative to:~~

~~(A) Screen and refer Arkansans to resources available in their communities to address health-related social needs; and~~

~~(B) Assist eligible individuals identified as target populations most at risk of disease and premature death and who need a higher level of intervention to improve their health outcomes and succeed in meeting their long-term goals to achieve independence, including economic independence;~~

~~(4) "Cost sharing" means the portion of the cost of a covered medical service that is required to be paid by or on behalf of an eligible individual;~~

~~(5) "Critical access hospital" means an acute care hospital that is:~~

~~(A) Designated by the Centers for Medicare & Medicaid Services as a critical access hospital; and~~

~~(B) Is enrolled as a provider in the Arkansas Medicaid Program;~~

~~(6) "Economic independence initiative" means an initiative developed by the Department of Human Services that is designed to promote economic stability by encouraging participation of program participants to engage in full-time, full-year work, and to demonstrate the value of enrollment in an individual qualified health insurance plan through incentives and disincentives;~~

~~(7) "Eligible individual" means an individual who is in the eligibility category created by section 1902(a)(10)(A)(i)(VIII) of the Social~~

~~Security Act, 42 U.S.C. § 1396a, as existing on January 1, 2025;~~

~~(8) "Employer health insurance coverage" means a health insurance benefit plan offered by an employer or, as authorized by this subchapter, an employer self-funded insurance plan governed by the Employee Retirement Income Security Act of 1974, Pub. L. No. 93-406, as amended;~~

~~(9) "Federally qualified health center" means an entity as defined by 42 C.F.R. § 405.2401, as existing on January 1, 2025, that has entered into an agreement with the Centers for Medicare & Medicaid Services to meet Medicare program requirements under 42 C.F.R. § 405.2434, as existing on January 1, 2025;~~

~~(10) "Health improvement initiative" means an initiative developed by an individual qualified health insurance plan or the Department of Human Services that is designed to encourage the participation of eligible individuals in health assessments and wellness programs, including fitness programs and smoking or tobacco cessation programs;~~

~~(11) "Health insurance benefit plan" means a policy, contract, certificate, or agreement offered or issued by a health insurer to provide, deliver, arrange for, pay for, or reimburse any of the costs of healthcare services, but not including excepted benefits as defined under 42 U.S.C. § 300gg-91(c), as it existed on January 1, 2025;~~

~~(12) "Health insurance marketplace" means the applicable entities that were designed to help individuals, families, and businesses in Arkansas shop for and select health insurance benefit plans in a way that permits comparison of available plans based upon price, benefits, services, and quality, and refers to either:~~

~~(A) The Arkansas Health Insurance Marketplace created under the Arkansas Health Insurance Marketplace Act, § 23-61-801 et seq., or a successor entity; or~~

~~(B) The federal health insurance marketplace or federal health benefit exchange created under the Patient Protection and Affordable Care Act, Pub. L. No. 111-148;~~

~~(13) "Health insurer" means an insurer authorized by the State Insurance Department to provide health insurance or a health insurance benefit plan in the State of Arkansas, including without limitation:~~

~~(A) An insurance company;~~

~~(B) A medical services plan;~~

~~(C) A hospital plan;~~

~~(D) A hospital medical service corporation;~~

~~(E) A health maintenance organization;~~

~~(F) A fraternal benefits society;~~

~~(G) Any other entity providing health insurance or a health insurance benefit plan subject to state insurance regulation; or~~

~~(H) A risk-based provider organization licensed by the Insurance Commissioner under § 20-77-2704;~~

~~(14) "Healthcare coverage" means coverage provided under this subchapter through either an individual qualified health insurance plan, a risk-based provider organization, employer health insurance coverage, or the fee-for-service Arkansas Medicaid Program;~~

~~(15) "Individual qualified health insurance plan" means an individual health insurance benefit plan offered by a health insurer that participates in the health insurance marketplace to provide coverage in Arkansas that covers only essential health benefits as defined by Arkansas rule and 45 C.F.R. § 156.110 and any federal insurance regulations, as they existed on January 1, 2025;~~

~~(16) "Medical-loss ratio" means the percentage of premium income that health insurers spend on medical care and quality improvement as opposed to administration, marketing, and, if applicable, profit;~~

~~(17) "Member" means a program participant who is enrolled in an individual qualified health insurance plan;~~

~~(18)(A) "Pharmacy rebate" means a discount, other price concession, or a payment that is:~~

~~(i) Based on utilization of a prescription drug; and~~

~~(ii) Paid by a manufacturer or third party, directly or indirectly, to a pharmacy benefits manager, pharmacy services administrative organization, or pharmacy after a claim has been processed and paid at a pharmacy.~~

~~(B) "Pharmacy rebate" includes without limitation incentives, disbursements, and reasonable estimates of a volume-based discount;~~

~~(19) "Premium" means:~~

~~(A) A monthly fee that is required to be paid by or on behalf of an eligible individual to maintain some or all health insurance~~

~~benefits; and~~

~~(B) The amount paid by the Department of Human Services to a health insurer on behalf of a program participant for cost-sharing obligations in excess of or other than the program participant's cost-sharing obligations;~~

~~(20) "Program participant" means an eligible individual who:~~

~~(A) Is at least nineteen (19) years of age and no more than sixty-four (64) years of age with an income that meets the income eligibility standards established by rule of the Department of Human Services;~~

~~(B) Is authenticated to be a United States citizen or documented qualified alien according to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193;~~

~~(C) Is not eligible for Medicare or advanced premium tax credits through the health insurance marketplace; and~~

~~(D) Is not determined by the Department of Human Services to be medically frail or eligible for services through a risk-based provider organization;~~

~~(21) "Risk-based provider organization" means the same as defined in § 20-77-2703; and~~

~~(22) "Small rural hospital" means a critical access hospital or a general hospital that:~~

~~(A) Is located in a rural area;~~

~~(B) Has fifty (50) or fewer staffed beds; and~~

~~(C) Is enrolled as a provider in the Arkansas Medicaid Program.~~

~~23-61-1004. Administration.~~

~~(a)(1) The Department of Human Services, in coordination with the State Insurance Department and other state agencies, as necessary, shall:~~

~~(A) Provide healthcare coverage under this subchapter to eligible individuals;~~

~~(B) Create and administer the Arkansas Health and Opportunity for Me Program by:~~

~~(i) Applying for any federal waivers, Medicaid state plan amendments, or other authority necessary to implement the Arkansas~~

~~Health and Opportunity for Me Program in a manner consistent with this subchapter; and~~

~~(ii) Administering the Arkansas Health and Opportunity for Me Program as approved by the Centers for Medicare & Medicaid Services;~~

~~(C)(i) Administer the economic independence initiative designed to reduce the short-term effects of the work penalty and the long-term effects of poverty on health outcomes among program participants through incentives and disincentives.~~

~~(ii) The Department of Human Services shall align the economic independence initiative with other state-administered work-related programs to the extent practicable;~~

~~(D) Screen, refer, and assist eligible individuals through community bridge organizations under agreements with the Department of Human Services;~~

~~(E) Offer incentives to promote personal responsibility, individual health, and economic independence through individual qualified health insurance plans and community bridge organizations; and~~

~~(F) Seek a waiver to reduce the period of retroactive eligibility for an eligible individual under this subchapter to thirty (30) days before the date of the application.~~

~~(2) The Governor shall request the assistance and involvement of other state agencies that he or she deems necessary for the implementation of the Arkansas Health and Opportunity for Me Program.~~

~~(b) Healthcare coverage under this subchapter shall be provided through enrollment in:~~

~~(1) An individual qualified health insurance plan through a health insurer;~~

~~(2) A risk-based provider organization;~~

~~(3) An employer-sponsored health insurance coverage; or~~

~~(4) The fee-for-service Arkansas Medicaid Program.~~

~~(c) Annually, the Department of Human Services shall develop purchasing guidelines that:~~

~~(1) Describe which individual qualified health insurance plans are suitable for purchase in the next demonstration year, including without limitation:~~

~~(A) The level of the plan;~~

~~(B) The amounts of allowable premiums;~~

~~(C) Cost sharing;~~

~~(D) Auto-assignment methodology; and~~

~~(E) The total per-member-per-month enrollment range; and~~

~~(2) Ensure that:~~

~~(A) Payments to an individual qualified health insurance plan do not exceed budget neutrality limitations in each demonstration year;~~

~~(B) The total payments to all of the individual qualified health insurance plans offered by the health insurers for eligible individuals combined do not exceed budget targets for the Arkansas Health and Opportunity for Me Program in each demonstration year that the Department of Human Services may achieve by:~~

~~(i) Setting in advance an enrollment range to represent the minimum and a maximum total monthly number of enrollees into all individual qualified health insurance plans no later than April 30 of each demonstration year in order for the individual qualified health insurance plans to file rates for the following demonstration year;~~

~~(ii) Temporarily suspending auto-assignment into the individual qualified health insurance plans at any time in a demonstration year if necessary, to remain within the enrollment range and budget targets for the demonstration year; and~~

~~(iii) Developing a methodology for random auto-assignment of program participants into the individual qualified health insurance plans after a suspension period has ended;~~

~~(C) Individual qualified health insurance plans meet and report quality and performance measurement targets set by the Department of Human Services; and~~

~~(D) At least two (2) individual qualified health insurance plans are offered in each county in the state.~~

~~(d)(1) The Department of Human Services, the State Insurance Department, and each of the individual qualified health insurance plans shall enter into a memorandum of understanding that shall specify, consistent with this subchapter, the duties and obligations of each party in the operation of the Arkansas Health and Opportunity for Me Program, including provisions necessary to effectuate the purchasing guidelines and reporting requirements,~~

~~at least thirty (30) calendar days before the annual open enrollment period.~~

~~(2) If a memorandum of understanding is not fully executed with a health insurer by January 1 of each new demonstration year, the Department of Human Services shall suspend auto-assignment of new members to the health insurers until the first day of the month after the new memorandum of understanding is fully executed.~~

~~(3) The memorandum of understanding shall include financial sanctions determined appropriate by the Department of Human Services that may be applied if the Department of Human Services determines that an individual qualified health insurance plan has not met the quality and performance measurement targets or any other condition of the memorandum of understanding.~~

~~(4)(A) If the Department of Human Services determines that the individual qualified health insurance plans have not met the quality and health performance targets for two (2) years, the Department of Human Services shall develop additional reforms to achieve the quality and health performance targets.~~

~~(B) If legislative action is required to implement the additional reforms described in subdivision (d)(4)(A) of this section, the Department of Human Services may take the action to the Legislative Council or the Executive Subcommittee of the Legislative Council for immediate action.~~

~~(e) The Department of Human Services shall:~~

~~(1) Adopt premiums and cost-sharing levels for individuals enrolled in the Arkansas Health and Opportunity for Me Program, not to exceed aggregate limits under 42 C.F.R. § 447.56;~~

~~(2)(A) Establish and maintain a process for premium payments, advanced cost-sharing reduction payments, and reconciliation payments to health insurers.~~

~~(B) The process described in subdivision (e)(2)(A) of this section shall attribute any unpaid member liabilities as solely the financial obligation of the individual member.~~

~~(C) The Department of Human Services shall not include any unpaid individual member obligation in any payment or financial reconciliation with health insurers or in a future premium rate.~~

~~(D) The Department of Human Services shall establish and~~

~~maintain a process for tracking all pharmacy rebates obtained by participating health plans from pharmaceutical companies and ensure that an amount equal to the pharmacy rebates is remitted to this state on a quarterly basis; and~~

~~(3)(A) Calculate a total per-member-per-month amount for each individual qualified health insurance plan based on all payments made by the Department of Human Services on behalf of an individual enrolled in the individual qualified health insurance plan.~~

~~(B)(i) The amount described in subdivision (e)(3)(A) of this section shall include premium payments, advanced cost-sharing reduction payments for services provided to covered individuals during the demonstration year, and any other payments accruing to the budget neutrality target for plan-enrolled individuals made during the demonstration year and the member months for each demonstration year.~~

~~(ii) The total per-member-per-month upper limit is the budget neutrality per-member-per-month limit established in the approved demonstration for each demonstration year.~~

~~(C) If the Department of Human Services calculates that the total per-member-per-month limit for an individual qualified health insurance plan for that demonstration year exceeds the budget neutrality per-member-per-month limit for that demonstration year, the Department of Human Services shall not make any additional reconciliation payments to the health insurer for that individual qualified health insurance plan.~~

~~(D) If the Department of Human Services determines that the budget neutrality limit has been exceeded, the Department of Human Services shall recover the excess funds from the health insurer for that individual qualified health insurance plan.~~

~~(f)(1) If the federal medical assistance percentages for the Arkansas Health and Opportunity for Me Program are reduced to below ninety percent (90%), the Department of Human Services shall present to the Centers for Medicare & Medicaid Services a plan within thirty (30) days of the reduction to terminate the Arkansas Health and Opportunity for Me Program and transition eligible individuals out of the Arkansas Health and Opportunity for Me Program within one hundred twenty (120) days of the reduction.~~

~~(2) An eligible individual shall maintain coverage during the process to implement the plan to terminate the Arkansas Health and~~

~~Opportunity for Me Program and the transition of eligible individuals out of the Arkansas Health and Opportunity for Me Program.~~

~~(g)(1) A health insurer that is providing an individual qualified health insurance plan or employer health insurance coverage for an eligible individual shall submit claims and enrollment data to the Department of Human Services to facilitate reporting required under this subchapter or other state or federally required reporting or evaluation activities.~~

~~(2) A health insurer may utilize existing mechanisms with supplemental enrollment information to fulfill requirements under this subchapter, including without limitation the state's all-payer claims database established under the Arkansas Healthcare Transparency Initiative Act of 2015, § 23-61-901 et seq., for claims and enrollment data submission.~~

~~(3) A health insurer shall seek all available pharmacy rebates from pharmaceutical companies for products covered through qualified health plans participating in the Arkansas Health and Opportunity for Me Program.~~

~~(h)(1) The Governor shall request a block grant under relevant federal law and regulations for the funding of the Arkansas Medicaid Program as soon as practical if the federal law or regulations change to allow the approval of a block grant for this purpose.~~

~~(2)(A) The Governor shall request a waiver under relevant federal law and regulations for a work requirement as a condition of maintaining coverage in the Arkansas Medicaid Program as soon as practical if the federal law or regulations change to allow the approval of a waiver for this purpose.~~

~~(B) An eligible individual enrolled in the Arkansas Health and Opportunity for Me Program shall:~~

~~(i) Comply with any and all federal and state work requirements under the Arkansas Medicaid Program, including providing required information to demonstrate compliance; and~~

~~(ii) Be exempt from the work requirement under this section if the eligible individual:~~

~~(a) Volunteers twenty (20) hours or more per week as determined by the Department of Human Services;~~

~~(b) Meets any combination of working and participating in a work program for a total of twenty (20) hours or more per week as determined by the Department of Human Services;~~

~~(c) Participates and complies with the requirements of a workfare program;~~

~~(d) Receives unemployment compensation and complies with work requirements that are a part of the unemployment compensation system;~~

~~(e) Participates in a drug addiction or alcoholic treatment or rehabilitation program;~~

~~(f) Provides care for a dependent child who:~~

~~(1) Has a serious medical condition or a disability; or~~

~~(2) Is under six (6) years of age; or~~

~~(g) Is at least one (1) of the following:~~

~~(1) Medically certified as physically or mentally unfit for employment;~~

~~(2) Pregnant;~~

~~(3) Under nineteen (19) years of age; or~~

~~(4) Over fifty-nine (59) years of age.~~

~~(C)(i) An individual who is not exempt under subdivision (h)(2)(B) of this section and who refuses to cooperate and declines to make efforts to comply with the work requirements under this section shall have coverage under the Arkansas Health and Opportunity for Me Program suspended for the remainder of the plan year.~~

~~(ii) An individual who has coverage suspended under subdivision (h)(2)(C)(i) of this section may regain active coverage under the Arkansas Health and Opportunity for Me Program if he or she cooperates and demonstrates a clear intention to comply with the work requirements under this section.~~

~~(iii) The Department of Human Services shall not make monthly premium payments or advanced cost-sharing reduction payments to a health insurer during a period of suspended coverage of the individual under this subdivision (h)(2)(C).~~

~~23-61-1005. Requirements for eligible individuals.~~

~~(a) An eligible individual is responsible for all applicable cost-sharing and premium payment requirements as determined by the Department of Human Services.~~

~~(b) An eligible individual may participate in a health improvement initiative, as developed and implemented by either the eligible individual's individual qualified health insurance plan or the department.~~

~~(c)(1)(A) An eligible individual who is determined by the department to meet the eligibility criteria for a risk-based provider organization due to serious mental illness or substance use disorder shall be enrolled in a risk-based provider organization under criteria established by the department.~~

~~(B) An eligible individual who is enrolled in a risk-based provider organization is exempt from the requirements of subsections (a) and (b) of this section.~~

~~(2)(A) An eligible individual who is determined by the department to be medically frail shall receive healthcare coverage through the fee-for-service Arkansas Medicaid Program.~~

~~(B) An eligible individual who is enrolled in the fee-for-service Arkansas Medicaid Program is exempt from the requirements of subsection (a) of this section.~~

~~(d) An eligible individual shall receive notice that:~~

~~(1) The Arkansas Health and Opportunity for Me Program is not a perpetual federal or state right or a guaranteed entitlement;~~

~~(2) The Arkansas Health and Opportunity for Me Program is subject to cancellation upon appropriate notice;~~

~~(3) Enrollment in an individual qualified health insurance plan is not a right; and~~

~~(4) If the individual chooses not to participate or fails to meet participation goals in the economic independence initiative, the individual may lose incentives provided through enrollment in an individual qualified health insurance plan or be unenrolled from the individual qualified health insurance plan after notification by the department.~~

~~23-61-1006. Requirements for program participants.~~

~~(a) The economic independence initiative applies to all program participants in accordance with the implementation schedule of the Department of Human Services.~~

~~(b) Incentives established by the department for participation in the economic independence initiative and the health improvement initiative may~~

~~include, without limitation, the waiver of premium payments and cost-sharing requirements as determined by the department for participation in one (1) or more initiatives.~~

~~(c) Failure by a program participant to meet the cost-sharing and premium payment requirement under § 23-61-1005(a) may result in the accrual of a personal debt to the health insurer or provider.~~

~~(d)(1)(A) Failure by the program participant to meet the initiative participation requirements of subsection (b) of this section may result in:~~

~~(i) Being unenrolled from the individual qualified health insurance plan; or~~

~~(ii) The loss of incentives, as defined by the department.~~

~~(B) However, an individual who is unenrolled shall not lose Medicaid healthcare coverage based solely on disenrollment from the individual qualified health insurance plan.~~

~~(2) The department shall develop and notify program participants of the criteria for restoring eligibility for incentive benefits that were removed as a result of the program participants' failure to meet the initiative participation requirements of subsection (b) of this section.~~

~~(3)(A) A program participant who also meets the criteria of a community bridge organization target population may qualify for additional incentives by successfully completing the economic independence initiative provided through a community bridge organization.~~

~~(B) If successfully completing the initiative results in an increase in the program participant's income that exceeds the program's financial eligibility limits, a program participant may receive, for a specified period of time, financial assistance to pay:~~

~~(i) The individual's share of employer-sponsored health insurance coverage not to exceed a limit determined by the department; or~~

~~(ii) A share of the individual's cost-sharing obligation, as determined by the department, if the individual enrolls in a health insurance benefit plan offered through the Arkansas Health Insurance Marketplace.~~

~~23-61-1007. Insurance standards for individual qualified health~~

~~insurance plans.~~

~~(a) Insurance coverage for a member enrolled in an individual qualified health insurance plan shall be obtained, at a minimum, through silver-level metallic plans as provided in 42 U.S.C. § 18022(d) and 42 U.S.C. § 18071, as they existed on January 1, 2025, that restrict out-of-pocket costs to amounts that do not exceed applicable out-of-pocket cost limitations.~~

~~(b) As provided under § 23-61-1004(e)(2), health insurers shall track the applicable premium payments and cost sharing collected from members to ensure that the total amount of an individual's payments for premiums and cost sharing does not exceed the aggregate cap imposed by 42 C.F.R. § 447.56.~~

~~(c) All health benefit plans purchased by the Department of Human Services shall:~~

~~(1) Conform to the requirements of this section and applicable insurance rules;~~

~~(2) Be certified by the State Insurance Department;~~

~~(3)(A) Maintain a medical-loss ratio of at least eighty-five percent (85%) for an individual qualified health insurance plan as permitted under 45 C.F.R. § 158.211, as it existed on January 1, 2025, or rebate the difference between the health insurer's actual medical-loss ratio and eighty-five percent (85%) to the Department of Human Services for members.~~

~~(B) However, the Department of Human Services may approve up to one percent (1%) of revenues as community investments and as benefit expenses in calculating the medical-loss ratio of a plan in accordance with 45 C.F.R. § 158.150;~~

~~(4) Develop:~~

~~(A) An annual quality assessment and performance improvement strategic plan to be approved by the Department of Human Services that aligns with federal quality improvement initiatives and quality and reporting requirements of the Department of Human Services; and~~

~~(B) Targeted initiatives based on requirements established by the Department of Human Services in consultation with the Department of Health; and~~

~~(5) Make reports to the Department of Human Services regarding quality and performance metrics in a manner and frequency established by a memorandum of understanding.~~

~~(d) A health insurer offering individual qualified health insurance plans for members shall participate in the Arkansas Patient-Centered Medical Home Program, including:~~

~~(1) Attributing enrollees in individual qualified health insurance plans, including members, to a primary care physician;~~

~~(2) Providing financial support to patient-centered medical homes to meet practice transformation milestones; and~~

~~(3) Supplying clinical performance data to patient-centered medical homes, including data to enable patient-centered medical homes to assess the relative cost and quality of healthcare providers to whom patient-centered medical homes refer patients.~~

~~(e)(1) Each individual qualified health insurance plan shall provide for a health improvement initiative, subject to the review and approval of the Department of Human Services, to provide incentives to its enrolled members to participate in one (1) or more health improvement initiatives as defined in § 23-61-1003(9).~~

~~(2)(A) The Department of Human Services shall work with health insurers offering individual qualified health insurance plans to ensure the economic independence initiative offered by the health insurer includes a robust outreach and communications effort which targets specific health, education, training, employment, and other opportunities appropriate for its enrolled members.~~

~~(B) The outreach and communications effort shall recognize that enrolled members receive information from multiple channels, including without limitation:~~

~~(i) Community service organizations;~~

~~(ii) Local community outreach partners;~~

~~(iii) Email;~~

~~(iv) Radio;~~

~~(v) Religious organizations;~~

~~(vi) Social media;~~

~~(vii) Television;~~

~~(viii) Text message; and~~

~~(ix) Traditional methods such as newspaper or mail.~~

~~(f) On or before January 1, 2022, the State Insurance Department and the Department of Human Services may implement through certification~~

~~requirements or rule, or both, the applicable provisions of this section.~~

~~23-61-1008. [Expired.]~~

~~23-61-1009. Sunset.~~

~~This subchapter expires December 31, 2031.~~

~~23-61-1010. Community bridge organizations.~~

~~(a) The Department of Human Services shall develop requirements and qualifications for community bridge organizations to provide assistance to one (1) or more of the following target populations:~~

~~(1) Individuals who become pregnant with a high-risk pregnancy and the child, throughout the pregnancy and up to twenty-four (24) months after birth;~~

~~(2) Individuals in rural areas of the state in need of treatment for serious mental illness or substance use disorder;~~

~~(3) Individuals who are young adults most at risk of poor health due to long-term poverty and who meet criteria established by the Department of Human Services, including without limitation the following:~~

~~(A) An individual between nineteen (19) and twenty-four (24) years of age who has been previously placed under the supervision of the:~~

~~(i) Division of Youth Services; or~~

~~(ii) Department of Corrections;~~

~~(B) An individual between nineteen (19) and twenty-seven (27) years of age who has been previously placed under the supervision of the Division of Children and Family Services; or~~

~~(C) An individual between nineteen (19) and thirty (30) years of age who is a veteran; and~~

~~(4) Any other target populations identified by the Department of Human Services.~~

~~(b)(1) Each community bridge organization shall be administered by a hospital under conditions established by the Department of Human Services.~~

~~(2) A hospital is eligible to serve eligible individuals under subdivision (a)(1) of this section if the hospital:~~

~~(A) Is a birthing hospital;~~

~~(B) Provides or contracts with a qualified entity for the provision of a federally recognized evidence-based home visitation model to a woman during pregnancy and to the woman and child for a period of up to twenty-four (24) months after birth; and~~

~~(C) Meets any additional criteria established by the Department of Human Services.~~

~~(3)(A) A hospital is eligible to serve eligible individuals under subdivision (a)(2) of this section if the hospital:~~

~~(i) Is a small rural hospital;~~

~~(ii) Screens all Arkansans who seek services at the hospital for health-related social needs;~~

~~(iii) Refers Arkansans identified as having health-related social needs for social services available in the community;~~

~~(iv) Employs local qualified staff to assist eligible individuals in need of treatment for serious mental illness or substance use disorder in accessing medical treatment from healthcare professionals and supports to meet health-related social needs;~~

~~(v) Enrolls with the Arkansas Medicaid Program as an acute crisis unit provider; and~~

~~(vi) Meets any additional criteria established by the Department of Human Services.~~

~~(B) The hospital may use funding available through the Department of Human Services to improve the hospital's ability to deliver care through coordination with other healthcare professionals and with the local emergency response system that may include training of personnel and improvements in equipment to support the delivery of medical services through telemedicine.~~

~~(4) A hospital is eligible to serve eligible individuals under subdivision (a)(3) of this section if the hospital:~~

~~(A) Is an acute care hospital;~~

~~(B) Administers or contracts for the administration of programs using proven models, as defined by the Department of Human Services, to provide employment, training, education, or other social supports; and~~

~~(C) Meets any additional criteria established by the Department of Human Services.~~

~~(c) An individual is not required or entitled to enroll in a community~~

~~bridge organization as a condition of Medicaid eligibility.~~

~~(d) A hospital is not:~~

~~(1) Required to apply to become a community bridge organization; or~~

~~(2) Entitled to be selected as a community bridge organization.~~

~~23-61-1011. Health and Economic Outcomes Accountability Oversight Advisory Panel.~~

~~(a) There is created the Health and Economic Outcomes Accountability Oversight Advisory Panel.~~

~~(b) The advisory panel shall be composed of the following members:~~

~~(1) The following members of the General Assembly:~~

~~(A) The Chair of the Senate Committee on Public Health, Welfare, and Labor;~~

~~(B) The Chair of the House Committee on Public Health, Welfare, and Labor;~~

~~(C) The Chair of the Senate Committee on Education;~~

~~(D) The Chair of the House Committee on Education;~~

~~(E) The Chair of the Senate Committee on Insurance and Commerce;~~

~~(F) The Chair of the House Committee on Insurance and Commerce;~~

~~(G) An at-large member of the Senate appointed by the President Pro Tempore of the Senate;~~

~~(H) An at-large member of the House of Representatives appointed by the Speaker of the House of Representatives;~~

~~(I) An at-large member of the Senate appointed by the minority leader of the Senate; and~~

~~(J) An at-large member of the House of Representatives appointed by the minority leader of the House of Representatives;~~

~~(2) The Secretary of the Department of Human Services;~~

~~(3) The Arkansas Surgeon General;~~

~~(4) The Insurance Commissioner;~~

~~(5) The heads of the following executive branch agencies or their designees:~~

~~(A) Department of Health;~~

~~(B) Department of Education;~~

~~(C) Department of Corrections;~~

~~(D) Department of Commerce; and~~

~~(E) Department of Finance and Administration;~~

~~(6) The Executive Director of the Arkansas Minority Health Commission; and~~

~~(7)(A) Three (3) community members who represent health, business, or education and who have demonstrated a commitment to improving the health and welfare of Arkansans, appointed as follows:~~

~~(i) One (1) member shall be appointed by and serve at the will of the Governor;~~

~~(ii) One (1) member shall be appointed by and serve at the will of the President Pro Tempore of the Senate; and~~

~~(iii) One (1) member shall be appointed by and serve at the will of the Speaker of the House of Representatives.~~

~~(B) Members serving under subdivision (b)(7)(A) of this section may receive mileage reimbursement.~~

~~(c)(1) The Secretary of the Department of Human Services and one (1) legislative member shall serve as the cochairs of the Health and Economic Outcomes Accountability Oversight Advisory Panel and shall convene meetings quarterly of the advisory panel.~~

~~(2) The legislative member who serves as the cochair shall be selected by majority vote of all legislative members serving on the advisory panel.~~

~~(d)(1) The advisory panel shall review, make nonbinding recommendations, and provide advice concerning the proposed quality performance targets presented by the Department of Human Services for each participating individual qualified health insurance plan.~~

~~(2) The advisory panel shall deliver all nonbinding recommendations to the Secretary of the Department of Human Services.~~

~~(3)(A) The Secretary of the Department of Human Services, in consultation with the State Medicaid Director, shall determine all quality performance targets for each participating individual qualified health insurance plan.~~

~~(B) The Secretary of the Department of Human Services may consider the nonbinding recommendations of the advisory panel when~~

~~determining quality performance targets for each participating individual qualified health insurance plan.~~

~~(e) The advisory panel shall review:~~

~~(1) The annual quality assessment and performance improvement strategic plan for each participating individual qualified health insurance plan;~~

~~(2) Financial performance of the Arkansas Health and Opportunity for Me Program against the budget neutrality targets in each demonstration year;~~

~~(3) Quarterly reports prepared by the Department of Human Services, in consultation with the Department of Commerce, on progress towards meeting economic independence outcomes and health improvement outcomes, including without limitation:~~

~~(A) Community bridge organization outcomes;~~

~~(B) Individual qualified health insurance plan health improvement outcomes;~~

~~(C) Economic independence initiative outcomes; and~~

~~(D) Any sanctions or penalties assessed on participating individual qualified health insurance plans;~~

~~(4) Quarterly reports prepared by the Department of Human Services on the Arkansas Health and Opportunity for Me Program, including without limitation:~~

~~(A) Eligibility and enrollment;~~

~~(B) Utilization;~~

~~(C) Premium and cost-sharing reduction costs; and~~

~~(D) Health insurer participation and competition; and~~

~~(5) Any other topics as requested by the Secretary of the Department of Human Services.~~

~~(f)(1) The advisory panel may furnish advice, gather information, make recommendations, and publish reports.~~

~~(2) However, the advisory panel shall not administer any portion of the Arkansas Health and Opportunity for Me Program or set policy.~~

~~(g) The Department of Human Services shall provide administrative support necessary for the advisory panel to perform its duties.~~

~~(h) The Department of Human Services shall produce and submit a quarterly report incorporating the advisory panel's recommendations to the~~

~~President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the public on the progress in health and economic improvement resulting from the Arkansas Health and Opportunity for Me Program, including without limitation:~~

~~(1) Eligibility and enrollment;~~

~~(2) Participation in and the impact of the economic independence initiative and the health improvement initiative of the eligible individuals, health insurers, and community bridge organizations;~~

~~(3) Utilization of medical services;~~

~~(4) Premium and cost-sharing reduction costs; and~~

~~(5) Health insurer participation and completion.~~

~~23-61-1012. Rules.~~

~~The Department of Human Services shall adopt rules necessary to implement this subchapter.~~

SECTION 6. Arkansas Code § 26-57-604(a)(1)(B)(ii), concerning the allowance of a credit to be applied against the insurance premium tax, is amended to read as follows:

(ii) However, the credit shall not be applied as an offset against the premium tax on collections resulting from an eligible individual insured under ~~the Arkansas Health and Opportunity for Me Act of 2021, § 23-61-1001 et seq.,~~ the Arkansas Health Insurance Marketplace Act, § 23-61-801 et seq.~~, or individual qualified health insurance plans, including without limitation stand-alone dental plans, issued through the health insurance marketplace as defined by § 23-61-1003.~~

SECTION 7. Arkansas Code § 26-57-610(b)(2), concerning the disposition of the insurance premium tax, is amended to read as follows:

(2) The taxes based on premiums collected under ~~the Arkansas Health and Opportunity for Me Act of 2021, § 23-61-1001 et seq.,~~ the Arkansas Health Insurance Marketplace Act, § 23-61-801 et seq., ~~or individual qualified health insurance plans, including without limitation stand-alone dental plans, issued through the health insurance marketplace as defined by § 23-61-1003~~ shall be~~:~~

~~(A) At the time of deposit, separately~~ Separately

certified by the commissioner to the Treasurer of State at the time of deposit for classification and distribution under this section; ~~and~~

~~(B) Transferred to the Arkansas Health and Opportunity for Me Program Trust Fund and used as required by the Arkansas Health and Opportunity for Me Program Trust Fund;~~