

SUMMARY

ARKANSAS INSURANCE DEPARTMENT PROPOSED AMENDED RULE 106

Network Adequacy Requirements for Health Benefit Plan

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To: Arkansas Legislative Council & Arkansas Bureau of Legislative Research

From: Dan Honey, Counsel Product Compliance, Arkansas Insurance Department

CC: Alan McClain, Arkansas Insurance Commissioner; Steve Porch, General Counsel, Arkansas Department of Commerce; Russ Galbraith, Deputy Insurance Commissioner; Jim Brader, General Counsel; Jennifer Bruce, Public and Legislative Affairs Director

Date: June 24, 2021

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LEGISLATIVE AUTHORITY FOR RULE

The proposed Rule revises and updates existing AID Rule 106 setting forth network adequacy requirements for health plan. Authority for the rule is pursuant to Ark. Code Ann. § 23-61-108(a)(1) and by Ark. Code Ann. § 23-61-108(b)(1) to promulgate rules necessary for the effective regulation of the business of insurance and as required for this State to be in compliance with federal laws, namely Section 2702(c) of the Public Health Service Act and 45 CFR § 156.230 which require that Qualified Health Plans provide sufficiently accessible medical providers.

BACKGROUND AND PURPOSE OF RULE

The purpose of revisions to existing Rule 106 is to update the Rule to accurately reflect AID processes and procedures regarding review and enforcement.

EXPLANATION OF THE PROPOSED RULE

The proposed Rule amends existing AID Rule 106 by (1) reflect processes and procedures to accurately reflect AID enforcement;(2) clarifies definitions to include all dental plans;(3) clarifies time and distance standards regarding network adequacy requirements.

AID Rule 106 was effective January 1, 2015. Since then, AID has updated it's processes and procedures regarding the implementation and enforcement of the Rule. Namely, AID has tightened up and more closely monitored network adequacy based on provider type taxonomy codes as defined by the National Uniform Claim Committee (NCCU) taxonomy codes. This is to ensure that the taxonomies associated with a particular provider type adequately conveys the scope of said provider type. As opposed to the submission by plans of access maps and compliance percentages, the updated Rule requires submission of more detailed data in order to facilitate a common and uniform understanding of each provider's provider type(s) classification.

The proposed amendments also clarify definitions to apply the rule to all dental plans, whether embedded or stand-alone, and both on and off the Marketplace Exchange.

Finally, time and distance standards as they relate to network adequacy requirements are clarified by the amended rule, and telemedicine is defined, and language added, providing the Commissioner authority and discretion to establish guidelines regarding the use of telemedicine to meet network adequacy standards.