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BULLETIN NO. 9-2021

TO: ALL LICENSED HEALTH INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, THIRD PARTY ADMINISTRATORS, PHARMACY BENEFIT MANAGERS, PUBLICLY-FUNDED COLLEGES/UNIVERSITIES OR GOVERNMENT HEALTH & DRUG PLANS WHICH ARE SELF-FUNDED, AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

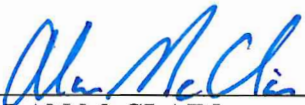
SUBJECT: COMPLIANCE WITH ALL PAYER CLAIMS DATABASE LAW & RULE

The Arkansas Insurance Department (“AID”) issues this Bulletin to advise self-insured, government health plans (e.g., state agencies including higher education institutions) to register and participate in the Arkansas Healthcare Transparency Initiative’s All Payer Claims Database (“APCD”) and to comply with submission of data to APCD under Act 1233 of 2015, the “Arkansas Healthcare Transparency Initiative Act of 2015,” and AID Rule 100. A recent audit report by Arkansas Legislative Audit, “Review of Selected Financial Records and State Funding, Pharmacy Benefit Managers,” noted several Arkansas government health plans which did not report data to APCD. The purpose of this Bulletin is to advise government health plans, including but not limited to state agency and public college and university health plans, to register, comply and participate in APCD as required by that law and AID Rule 100. Although many of the self-funded government health plans use third party administrators (TPAs) and pharmacy benefit managers (PBMs) (for the plan’s drug benefits) to help administer and provide state compliance responsibilities, AID looks to the health plan itself rather than the contracted TPA and/or PBM, to ensure it is in compliance with state law.

Government health plans, and their insurer if the plan is fully-insured, or their TPAs/PBMs if the plan is self-insured, should review AID Rule 100, particularly, Section Four (4)(21)(ii) under the definition of “submitting entity,” *a submitting entity for APCD is defined to include, “a health benefit plan offered or administered by or on behalf of the State or an agency or instrumentality of the State.”* (Emphasis Added). This definition is also codified in the APCD statute itself in Ark. Code Ann. § 23-61-903(9)(A)(ii). AID interprets this definition to mean that government plans, as an instrumentality of the State of Arkansas and without regard to self-funded or fully-insured status or the number of covered lives in the plan, have to participate and submit data under APCD. For self-funded government health plans not registered and participating in APCD, they are directed to immediately register and contact APCD at <https://www.arkansasapcd.net/Home/> for

participation. For health plans that are fully-insured, the government entity should check with your insurer to insure compliance.

Questions concerning this Bulletin should be directed to the Legal Division at 501-371-2820 or email insurance.legal@arkansas.gov.



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DATE