

State of Arizona  
Senate  
Forty-eighth Legislature  
First Regular Session  
2007

# SENATE BILL 1504

AN ACT

AMENDING SECTIONS 20-464 AND 20-821, ARIZONA REVISED STATUTES; RELATING TO  
HOSPITAL, MEDICAL, DENTAL AND OPTOMETRIC SERVICE CORPORATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-464, Arizona Revised Statutes, is amended to  
3 read:

4 20-464. Prohibiting payment for services to persons other than  
5 the assignee; equal copayment for chiropractic  
6 services

7 A. If an insured assigns to a covered health care provider performing  
8 services covered by the contract payment for benefits under a disability  
9 insurance contract, a group disability insurance contract or a blanket  
10 disability contract, the contract does not prohibit assignments and the  
11 assignment is delivered to the insurer, payment may be made only to the  
12 health care provider to whom payment has been assigned.

13 B. A HOSPITAL, MEDICAL, DENTAL OR OPTOMETRIC SERVICE CORPORATION THAT  
14 IS SUBJECT TO SECTION 20-826 SHALL NOT IMPOSE AS A LIMITATION ON TREATMENT OR  
15 LEVEL OF COVERAGE A COPAYMENT AMOUNT THAT IS CHARGED TO THE INSURED FOR  
16 CHIROPRACTIC SERVICES AND THAT IS HIGHER THAN THE COPAYMENT AMOUNT THAT IS  
17 CHARGED TO THE INSURED FOR THE SERVICES OF A DULY LICENSED PRIMARY CARE  
18 PHYSICIAN FOR THE SAME MEDICALLY NECESSARY TREATMENT OR CONDITION.

19 Sec. 2. Section 20-821, Arizona Revised Statutes, is amended to read:

20 20-821. Scope of article; rules; authority of director

21 A. Hospital service corporations, medical service corporations, dental  
22 service corporations, optometric service corporations and hospital, medical,  
23 dental and optometric service corporations incorporated in this state are  
24 governed by this article and are exempt from all other provisions of this  
25 title, except as expressly provided by this article and any rule adopted by  
26 the director pursuant to section 20-143 relating to contracts of such service  
27 corporations. No insurance law enacted after January 1, 1955 applies to such  
28 corporations unless the law specifically refers to corporations.

29 B. Chapter 2, article 12 of this title, sections 20-223, 20-234,  
30 20-261, 20-261.01, 20-261.02, 20-261.03, 20-261.04, 20-464, 20-1133, 20-1377,  
31 20-1408, 20-1692, 20-1692.01, 20-1692.02 and 20-1692.03 and chapters 15, 17  
32 and 20 of this title and any rules adopted to implement these provisions  
33 apply to all corporations governed by this article.

34 C. Chapter 21 of this title applies to a hospital service corporation,  
35 a medical service corporation or a hospital and medical service corporation.