



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fourth Legislature
Second Regular Session

Senate: FIN DP 9-0-1-0 | 3rd Read 30-0-0-0

SB 1397: insurance; preexisting condition exclusions; prohibition

Sponsor: Senator Mesnard, LD 17
Committee on Commerce

Overview

Conditionally requires health care insurers to provide guaranteed availability of individual health plan coverage to eligible individuals.

History

The Patient Protections and Affordable Care Act ([PPACA](#)) is intended to expand access to insurance, increase consumer protections, emphasize prevention and wellness, improve quality and system performance, expand the health workforce, and curb rising health care costs ([NCSL Summary Brief](#)).

On December 14, 2018, the U.S. District Court for the Northern District of Texas declared the individual mandate of the ACA unconstitutional and the remaining provisions of the ACA inseverable from the mandate and thus invalid ([Texas v. Azar](#)).

Provisions

Individual Health Plans (Sec. 1)

1. Requires health care insurers who offer individual health plans to provide guaranteed availability of coverage to eligible individuals who enroll in health insurance coverage.
2. Prohibits health care insurers who offer individual health plans from:
 - a) Declining to offer that coverage to, or deny enrollment of, that individual; and
 - b) Imposing any preexisting condition exclusions with respect to the issuance, renewal or scope of benefits.
3. Permits health care insurers to restrict enrollment in individual health plans to open enrollment and special enrollment periods to the extent the periods are not inconsistent with applicable federal law.
4. Requires the Director of the Arizona Department of Insurance and Financial Institutions to adopt rules establishing minimum open enrollment dates and criteria for special enrollment periods.
5. Exempts grandfathered health plan coverage and limited benefit coverage.
6. Defines *grandfathered health plan coverage*, *health care insurer*, *individual health plan*, *preexisting condition exclusion* and *transitional health plan*.

Miscellaneous (Sec. 2)

7. Conditionally enacts this Act based on a court of competent jurisdiction ruling that the PPACA is unconstitutional and the judgement of that ruling becomes final and definitive by June 30, 2023.

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note

8. Instructs the Attorney General, by August 1, 2023 to notify the Director of the Arizona Legislative Council:
 - a) Of the date on which the condition was met; or
 - b) That the condition was not met.