

REFERENCE TITLE: health insurance; essential benefits; requirements

State of Arizona
Senate
Fifty-sixth Legislature
First Regular Session
2023

SB 1292

Introduced by
Senator Gabaldón

AN ACT

REPEALING SECTION 20-123, ARIZONA REVISED STATUTES; AMENDING TITLE 20, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 20-123; AMENDING SECTION 20-1384, ARIZONA REVISED STATUTES; REPEALING LAWS 2020, CHAPTER 80, SECTION 2; RELATING TO HEALTH CARE INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Repeal

3 Section 20-123, Arizona Revised Statutes, is repealed.

4 Sec. 2. Title 20, chapter 1, article 1, Arizona Revised Statutes,
5 is amended by adding a new section 20-123, to read:

6 20-123. Health care insurers; requirements; prohibitions;
7 definitions

8 A. NOTWITHSTANDING ANY OTHER LAW, EVERY HEALTH CARE INSURER THAT
9 OFFERS AN INDIVIDUAL HEALTH CARE PLAN, SHORT-TERM LIMITED DURATION
10 INSURANCE OR A SMALL EMPLOYER GROUP HEALTH CARE PLAN IN THIS STATE:

11 1. SHALL:

12 (a) ENSURE THAT ALL PRODUCTS SOLD COVER ESSENTIAL HEALTH CARE
13 BENEFITS.

14 (b) LIMIT COST SHARING FOR THE COVERAGE OF ESSENTIAL HEALTH CARE
15 BENEFITS, INCLUDING DEDUCTIBLES, COINSURANCE AND COPAYMENTS.

16 (c) PROVIDE COVERAGE WITHOUT COST SHARING FOR PREVENTIVE HEALTH
17 CARE BENEFITS RECOMMENDED BY THE UNITED STATES PREVENTIVE SERVICES TASK
18 FORCE, THE ADVISORY COMMITTEE ON IMMUNIZATION PRACTICES OF THE UNITED
19 STATES CENTERS FOR DISEASE CONTROL AND PREVENTION AND THE HEALTH RESOURCES
20 AND SERVICES ADMINISTRATION OF THE UNITED STATES DEPARTMENT OF HEALTH AND
21 HUMAN SERVICES.

22 (d) IF THE HEALTH CARE INSURER OFFERS DEPENDENT COVERAGE, CONTINUE
23 TO OFFER DEPENDENT COVERAGE TO ADULT CHILDREN UNTIL THE END OF THE
24 CALENDAR YEAR IN WHICH THE ADULT CHILD ATTAINS TWENTY-SIX YEARS OF AGE.

25 2. MAY NOT:

26 (a) DECLINE TO OFFER COVERAGE TO, OR DENY ENROLLMENT IN, A HEALTH
27 CARE PLAN FOR AN INDIVIDUAL OR EMPLOYEE OF A SMALL EMPLOYER BASED SOLELY
28 ON THE INDIVIDUAL'S OR EMPLOYEE'S HEALTH STATUS.

29 (b) IMPOSE ANY PREEXISTING CONDITION EXCLUSION OR LIMITATION IN ANY
30 HEALTH CARE PLAN.

31 (c) CANCEL OR REFUSE TO RENEW A HEALTH CARE PLAN BASED SOLELY ON AN
32 INDIVIDUAL'S OR EMPLOYEE'S PREEXISTING CONDITION OR HEALTH STATUS.

33 (d) USE AN INDIVIDUAL'S OR SMALL EMPLOYER GROUP'S HEALTH STATUS TO
34 ESTABLISH PREMIUMS.

35 (e) REFUSE TO COVER SERVICES THAT ARE NECESSARY TO TREAT A
36 PREEXISTING CONDITION.

37 (f) IMPOSE ANNUAL OR LIFETIME DOLLAR LIMITS ON ESSENTIAL HEALTH
38 CARE BENEFITS.

39 (g) APPLY ANY ADDITIONAL DEDUCTIBLE, COPAYMENT OR COINSURANCE BASED
40 SOLELY ON AN INDIVIDUAL'S OR EMPLOYEE'S PREEXISTING CONDITION.

41 (h) UNFAIRLY DISCRIMINATE AGAINST AN INDIVIDUAL OR EMPLOYEE IN
42 ESTABLISHING OR ADJUSTING PREMIUM RATES BASED ON THE INDIVIDUAL'S OR
43 EMPLOYEE'S AGE OR SEX.

- 1 B. FOR THE PURPOSES OF THIS SECTION:
- 2 1. "ESSENTIAL HEALTH CARE BENEFITS" MEANS THE ITEMS AND SERVICES
- 3 COVERED WITHIN THE FOLLOWING TEN GENERAL CATEGORIES:
- 4 (a) AMBULATORY SERVICES.
- 5 (b) EMERGENCY SERVICES.
- 6 (c) HOSPITALIZATION.
- 7 (d) MATERNITY AND NEWBORN CARE.
- 8 (e) MENTAL HEALTH AND SUBSTANCE ABUSE DISORDER SERVICES.
- 9 (f) PRESCRIPTION DRUGS.
- 10 (g) REHABILITATIVE AND HABILITATIVE SERVICES AND DEVICES.
- 11 (h) LABORATORY SERVICES.
- 12 (i) PREVENTIVE AND WELLNESS SERVICES.
- 13 (j) PEDIATRIC SERVICES, INCLUDING ORAL AND VISION CARE.
- 14 2. "HEALTH CARE INSURER" MEANS A DISABILITY INSURER, GROUP
- 15 DISABILITY INSURER, BLANKET DISABILITY INSURER, HEALTH CARE SERVICES
- 16 ORGANIZATION, HOSPITAL SERVICE CORPORATION, MEDICAL SERVICE CORPORATION OR
- 17 HOSPITAL AND MEDICAL SERVICE CORPORATION.
- 18 3. "HEALTH CARE PLAN" MEANS A POLICY, EVIDENCE OF COVERAGE OR
- 19 CONTRACT ISSUED BY A HEALTH CARE INSURER.
- 20 4. "PREEXISTING CONDITION EXCLUSION OR LIMITATION" MEANS AN
- 21 EXCLUSION OR LIMITATION OF BENEFITS, INCLUDING A DENIAL OF COVERAGE, BASED
- 22 ON THE FACT THAT THE CONDITION WAS PRESENT BEFORE THE DATE OF ENROLLMENT,
- 23 REGARDLESS OF WHETHER ANY MEDICAL ADVICE, DIAGNOSIS, CARE OR TREATMENT WAS
- 24 RECOMMENDED OR RECEIVED BEFORE THAT DATE.
- 25 5. "SHORT-TERM LIMITED DURATION INSURANCE" HAS THE SAME MEANING
- 26 PRESCRIBED IN SECTION 20-1384.
- 27 6. "SMALL EMPLOYER GROUP" MEANS AN EMPLOYER WHO EMPLOYS AT LEAST
- 28 TWO BUT NOT MORE THAN FIFTY ELIGIBLE EMPLOYEES ON A TYPICAL BUSINESS DAY
- 29 DURING ANY ONE CALENDAR YEAR.

30 Sec. 3. Section 20-1384, Arizona Revised Statutes, is amended to
 31 read:

32 20-1384. Short-term limited duration insurance; notice;
 33 definitions

34 A. All policies or certificates issued, delivered or renewed in
 35 this state for short-term limited duration insurance shall COMPLY WITH
 36 SECTION 20-125 AND display on the policy's fact page and in any
 37 application materials provided in connection with enrollment in such
 38 coverage the following federal disclosure in at least fourteen-point type:

39 Notice

40 This coverage is not required to comply with certain federal
 41 market requirements for health insurance, principally those
 42 contained in the affordable care act. Be sure to check your
 43 policy carefully to make sure you are aware of any exclusions
 44 or limitations regarding coverage of preexisting conditions or
 45 health benefits (such as hospitalization, emergency services,

1 maternity care, preventive care, prescription drugs and mental
2 health and substance use disorder services). Your policy
3 might also have lifetime or annual dollar limits on health
4 benefits, or both. If this coverage expires or you lose
5 eligibility for this coverage, you might have to wait until an
6 open enrollment period to get other health insurance coverage.
7 B. A health care insurer shall provide notice to the insured before
8 expiration that the policy needs to be renewed or is expiring.
9 C. For the purposes of this section:
10 1. "Health care insurer" has the same meaning prescribed in section
11 20-1379.
12 2. "Short-term limited duration insurance" means health insurance
13 coverage that is offered by a health care insurer, ~~that is not subject to~~
14 ~~state health coverage mandates in this title,~~ that has an expiration date
15 specified in the contract that is less than twelve months after the
16 original effective date of the contract and, taking into account renewals
17 or extensions, that has a duration of not longer than thirty-six months.
18 Sec. 4. Repeal
19 Laws 2020, chapter 80, section 2 is repealed.