

REFERENCE TITLE: virtual credit cards; payment method

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SB 1070

Introduced by
Senator Shope

AN ACT

AMENDING SECTION 20-241, ARIZONA REVISED STATUTES; RELATING TO HEALTH CARE PAYMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 20-241, Arizona Revised Statutes, is amended to
3 read:

4 20-241. Contracts to provide health care services; form of
5 payment; notice; explanation of benefits;
6 definitions

7 A. A contract between a health insurer and a health care provider
8 that is issued, amended or renewed on or after January 1, 2020 to provide
9 health care services to the health insurer's enrollees may not restrict
10 the method of payment from the health insurer to the health care provider
11 in which the only acceptable payment method is a credit card payment. **A**
12 **HEALTH INSURER SHALL ACCEPT TANGIBLE CHECKS AS A FORM OF ACCEPTABLE**
13 **PAYMENT.**

14 B. If a health insurer initiates or changes payments to a health
15 care provider using electronic funds transfer payments, including virtual
16 credit card payments, the health insurer shall do the following:

17 1. Notify the health care provider if any fee is associated with a
18 particular payment method.

19 2. Advise the health care provider of the available methods of
20 payment and provide clear instructions to the health care provider as to
21 how to select an alternative payment method.

22 3. Remit or associate with each payment the explanation of
23 benefits.

24 **C. IF A HEALTH CARE PROVIDER OPTS OUT OF A METHOD OF PAYMENT, THAT**
25 **DECISION REMAINS IN EFFECT UNTIL THE HEALTH CARE PROVIDER OPTS BACK IN TO**
26 **THE PRIOR METHOD PAYMENT OR A NEW CONTRACT IS EXECUTED.**

27 ~~C.~~ D. A health insurer that initiates or changes payment to a
28 health care provider using the health care electronic funds transfers and
29 ~~a~~ remittance advice transaction pursuant to 45 Code of Federal
30 Regulations sections 162.1601 and 162.1602 may not charge a fee solely to
31 transmit the payment to a health care provider unless the health care
32 provider has consented to the fee. A health care provider agent may
33 charge reasonable fees when transmitting an electronic funds transfer or
34 automatic clearing house related to transaction management, data
35 management, portal services and other value-added services above and
36 beyond the bank transmittal.

37 ~~D.~~ E. For the purposes of this section:

38 1. "Electronic funds transfer payment" means a payment by any
39 method of electronic funds transfer other than a standard health care
40 electronic funds transfers and remittance advice transaction pursuant to
41 45 Code of Federal Regulations sections 162.1601 and 162.1602.

42 2. "Health care provider" means a person who is licensed,
43 registered or certified as a health care professional under title 32 or a
44 laboratory or durable medical equipment provider that furnishes services
45 to an enrollee and that separately bills the enrollee for the services.

1 3. "Health care provider agent" means a person or entity that
2 contracts with a health care provider establishing an agency relationship
3 to process bills for services provided by the health care provider under
4 the terms and conditions of a contract between the agent and health care
5 provider, which may allow the agent to submit bills, request
6 reconsideration, and receive reimbursement.

7 4. "Health insurer" means a disability insurer, group disability
8 insurer, blanket disability insurer, health care services organization,
9 hospital service corporation, medical service corporation or hospital,
10 medical, dental and optometric service corporation and includes the health
11 insurer's designee.