

Senate Engrossed House Bill

~~claims; prior authorization; conduct~~
(now: prior authorization; claims)

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

CHAPTER 165

HOUSE BILL 2175

AN ACT

AMENDING TITLE 20, CHAPTER 20, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 20-3103; AMENDING TITLE 20, CHAPTER 26, ARTICLE 1, ARIZONA
REVISED STATUTES, BY ADDING SECTION 20-3407; RELATING TO INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 20, chapter 20, article 1, Arizona Revised
3 Statutes, is amended by adding section 20-3103, to read:

4 20-3103. Denial of claims; review of claims

5 BEFORE A HEALTH CARE INSURER MAY DENY A CLAIM THAT WAS SUBMITTED BY
6 A PROVIDER ON THE BASIS OF MEDICAL NECESSITY, THE MEDICAL DIRECTOR SHALL
7 INDIVIDUALLY REVIEW THE DENIAL. DURING EACH INDIVIDUAL REVIEW, THE MEDICAL
8 DIRECTOR SHALL EXERCISE INDEPENDENT MEDICAL JUDGMENT AND MAY NOT RELY
9 SOLELY ON RECOMMENDATIONS FROM ANY OTHER SOURCE.

10 Sec. 2. Title 20, chapter 26, article 1, Arizona Revised Statutes,
11 is amended by adding section 20-3407, to read:

12 20-3407. Denial of prior authorization; review of prior
13 authorization

14 BEFORE A HEALTH CARE INSURER MAY ISSUE A DIRECT DENIAL OF A PRIOR
15 AUTHORIZATION OF A SERVICE THAT WAS REQUESTED BY A PROVIDER AND THAT
16 INVOLVES MEDICAL NECESSITY, THE MEDICAL DIRECTOR SHALL INDIVIDUALLY REVIEW
17 THE DENIAL. DURING EACH INDIVIDUAL REVIEW, THE MEDICAL DIRECTOR SHALL
18 EXERCISE INDEPENDENT MEDICAL JUDGMENT AND MAY NOT RELY SOLELY ON
19 RECOMMENDATIONS FROM ANY OTHER SOURCE.

20 Sec. 3. Effective date

21 This act is effective from and after June 30, 2026.

APPROVED BY THE GOVERNOR MAY 12, 2025.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 12, 2025.