

REFERENCE TITLE: insurance; prosthetics; orthotics; reporting requirements

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2333

Introduced by
Representative Heap

AN ACT

AMENDING TITLE 20, CHAPTER 4, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-826.06; AMENDING TITLE 20, CHAPTER 4, ARTICLE 9, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-1057.21; AMENDING TITLE 20, CHAPTER 6, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-1342.09; AMENDING TITLE 20, CHAPTER 6, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-1404.07; RELATING TO HEALTH 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 4, article 3, Arizona Revised
3 Statutes, is amended by adding section 20-826.06, to read:

4 20-826.06. Prosthetic devices and orthotic devices; coverage;
5 reimbursement rates; annual report

6 A. A HOSPITAL SERVICE CORPORATION OR MEDICAL SERVICE CORPORATION
7 THAT ISSUES, AMENDS, DELIVERS OR RENEWS A SUBSCRIPTION CONTRACT ON OR
8 AFTER JANUARY 1, 2027 SHALL PROVIDE COVERAGE FOR PROSTHETIC DEVICES AND
9 ORTHOTIC DEVICES THAT IS AT LEAST EQUIVALENT TO THE COVERAGE THAT IS
10 CURRENTLY PROVIDED UNDER MEDICARE PART B, AND THE COVERAGE MAY NOT BE
11 PROVIDED UNDER LESS FAVORABLE TERMS OR CONDITIONS THAN ANY OTHER MEDICAL
12 OR SURGICAL BENEFITS UNDER THE SUBSCRIPTION CONTRACT.

13 B. COVERAGE UNDER A SUBSCRIPTION CONTRACT FOR PROSTHETIC DEVICES
14 AND ORTHOTIC DEVICES SHALL INCLUDE ALL OF THE FOLLOWING:

15 1. THE PURCHASE, FITTING, ADJUSTMENT, REPAIR AND REPLACEMENT OF ONE
16 OR MORE PROSTHETIC DEVICES OR ORTHOTIC DEVICES AS NEEDED TO ACCOMPLISH
17 BOTH OF THE FOLLOWING, AS APPLICABLE:

18 (a) THE REPLACEMENT OF ALL OR PART OF A MISSING BODY PART AND ITS
19 ADJOINING TISSUES.

20 (b) THE REPLACEMENT OF ALL OF THE FUNCTION OF A PERMANENTLY USELESS
21 OR MALFUNCTIONING BODY PART AS NECESSARY TO ALLOW THE SUBSCRIBER TO DO ALL
22 OF THE FOLLOWING:

23 (i) COMPLETE ACTIVITIES OF DAILY LIVING OR ESSENTIAL JOB-RELATED
24 ACTIVITIES.

25 (ii) PERFORM PHYSICAL ACTIVITIES, INCLUDING RUNNING, BIKING,
26 SWIMMING OR STRENGTH TRAINING, TO MAXIMIZE THE COVERED PERSON'S WHOLE BODY
27 HEALTH AND LOWER AND UPPER LIMB FUNCTION.

28 (iii) SHOWER OR BATHE.

29 2. ALL MATERIALS AND COMPONENTS THAT ARE NECESSARY TO USE THE
30 DEVICE, INCLUDING INSTRUCTIONS ON HOW TO USE THE DEVICE.

31 3. HABILITATIVE OR REHABILITATIVE COVERAGE BENEFITS.

32 C. A PROSTHETIC DEVICE OR ORTHOTIC DEVICE SHALL BE MEDICALLY
33 NECESSARY AS DETERMINED BY A SUBSCRIBER'S HEALTH CARE PROVIDER, AND THE
34 HEALTH CARE PROVIDER SHALL CHOOSE THE MOST APPROPRIATE MODEL OF PROSTHETIC
35 DEVICE OR ORTHOTIC DEVICE THAT ADEQUATELY MEETS THE MEDICAL NEEDS OF THE
36 SUBSCRIBER AND THAT ALLOWS THE SUBSCRIBER TO PERFORM ACTIVITIES AS
37 PROVIDED IN SUBSECTION B, PARAGRAPH 1 OF THIS SECTION.

38 D. A HOSPITAL SERVICE CORPORATION OR MEDICAL SERVICE CORPORATION
39 SHALL INCLUDE IN THE SUBSCRIPTION CONTRACT LANGUAGE THAT DESCRIBES BOTH A
40 SUBSCRIBER'S RIGHTS UNDER THIS SECTION AND ANY BENEFIT DENIAL LETTERS. IF
41 A HOSPITAL SERVICE CORPORATION OR MEDICAL SERVICE CORPORATION DENIES
42 COVERAGE FOR A PROSTHETIC DEVICE OR ORTHOTIC DEVICE, THE HOSPITAL SERVICE
43 CORPORATION OR MEDICAL SERVICE CORPORATION SHALL ISSUE THE DENIAL OF
44 COVERAGE IN WRITING.

1 E. THIS SECTION DOES NOT PROHIBIT A HOSPITAL SERVICE CORPORATION OR
2 MEDICAL SERVICE CORPORATION FROM IMPOSING COST SHARING FOR PROSTHETIC
3 DEVICES OR ORTHOTIC DEVICES IF THE COST SHARING IS NOT MORE RESTRICTIVE
4 THAN THE COST SHARING REQUIREMENTS FOR INPATIENT PHYSICIAN OR SURGICAL
5 SERVICES. PROSTHETIC DEVICE AND ORTHOTIC DEVICE COVERAGE MAY NOT INCUR
6 SEPARATE COST SHARING REQUIREMENTS THAT ARE APPLICABLE ONLY TO COVERAGE
7 FOR PROSTHETIC DEVICES OR ORTHOTIC DEVICES.

8 F. A HOSPITAL SERVICE CORPORATION OR MEDICAL SERVICE CORPORATION
9 SHALL ENSURE THAT A SUBSCRIBER HAS ACCESS TO MEDICALLY NECESSARY CLINICAL
10 CARE AND TO PROSTHETIC DEVICES AND ORTHOTIC DEVICES AND TECHNOLOGY FROM
11 NOT LESS THAN TWO DISTINCT PROSTHETIC DEVICE AND ORTHOTIC DEVICE PROVIDERS
12 THAT ARE LOCATED IN THIS STATE.

13 G. IF MEDICALLY NECESSARY COVERED PROSTHETIC DEVICES AND ORTHOTIC
14 DEVICES ARE NOT AVAILABLE FROM AN IN-NETWORK PROVIDER, A HOSPITAL SERVICE
15 CORPORATION OR MEDICAL SERVICE CORPORATION SHALL PROVIDE A PROCESS TO
16 REFER A SUBSCRIBER TO AN OUT-OF-NETWORK PROVIDER AND SHALL FULLY REIMBURSE
17 THE OUT-OF-NETWORK PROVIDER AT A MUTUALLY AGREED ON RATE, LESS ANY
18 APPLICABLE COST SHARING AS DETERMINED ON AN IN-NETWORK BASIS.

19 H. A HOSPITAL SERVICE CORPORATION OR MEDICAL SERVICE CORPORATION
20 SHALL PROVIDE COVERAGE FOR THE REPLACEMENT OF A COVERED PROSTHETIC DEVICE
21 OR ORTHOTIC DEVICE OR FOR THE REPLACEMENT OF ANY PART OF THE DEVICE, AS
22 APPLICABLE, WITHOUT REGARD TO CONTINUOUS USE OR USEFUL LIFETIME
23 RESTRICTIONS IF AN ORDERING HEALTH CARE PROVIDER DETERMINES THAT THE
24 DEVICE OR PART OF THE DEVICE NEEDS TO BE REPLACED DUE TO ANY OF THE
25 FOLLOWING:

- 26 1. A CHANGE IN THE PHYSIOLOGICAL CONDITION OF THE SUBSCRIBER.
- 27 2. AN IRREPARABLE CHANGE IN THE CONDITION OF THE DEVICE OR IN A
28 PART OF THE DEVICE.
- 29 3. THE CONDITION OF THE DEVICE OR ANY PART OF THE DEVICE REQUIRES
30 REPAIRS AND THE COST OF THE REPAIRS IS MORE THAN SIXTY PERCENT OF THE COST
31 OF A REPLACEMENT DEVICE OR OF THE PART THAT IS BEING REPLACED.

32 I. BEFORE A HOSPITAL SERVICE CORPORATION OR MEDICAL SERVICE
33 CORPORATION REPLACES A PROSTHETIC DEVICE OR ORTHOTIC DEVICE THAT IS LESS
34 THAN THREE YEARS OLD, THE HOSPITAL SERVICE CORPORATION OR MEDICAL SERVICE
35 CORPORATION MAY REQUEST THAT THE HEALTH CARE PROVIDER CONFIRM THAT THE
36 DEVICE NEEDS TO BE REPLACED.

37 J. A HOSPITAL SERVICE CORPORATION OR MEDICAL SERVICE CORPORATION
38 MAY NOT:

- 39 1. CANCEL OR CHANGE PREMIUMS, BENEFITS OR CONDITIONS UNDER A
40 SUBSCRIPTION CONTRACT ON THE BASIS OF A SUBSCRIBER'S ACTUAL OR PERCEIVED
41 DISABILITY.
- 42 2. DENY PROSTHETIC DEVICE OR ORTHOTIC DEVICE BENEFITS TO A
43 SUBSCRIBER WITH LIMB LOSS, LIMB ABSENCE OR LIMB DIFFERENCE IF SUCH
44 BENEFITS WOULD OTHERWISE BE COVERED FOR A PERSON WHO DOES NOT HAVE A

1 DISABILITY AND WHO SEEKS MEDICAL OR SURGICAL INTERVENTION TO RESTORE OR
2 MAINTAIN THE ABILITY TO PERFORM THE SAME PHYSICAL ACTIVITY.

3 K. ON OR BEFORE JANUARY 1, 2028 AND EACH YEAR THEREAFTER, THE
4 DEPARTMENT SHALL ISSUE A REPORT THAT PROVIDES GUIDANCE ON WHAT TYPE OF
5 MEDICAL CARE AND PROSTHETIC DEVICES AND ORTHOTIC DEVICES ARE NECESSARY TO
6 RESTORE FULL PHYSICAL ACTIVITY TO A SUBSCRIBER WITH LIMB LOSS, LIMB
7 DIFFERENCE OR MOBILITY IMPAIRMENT.

8 Sec. 2. Title 20, chapter 4, article 9, Arizona Revised Statutes,
9 is amended by adding section 20-1057.21, to read:

10 20-1057.21. Prosthetic devices and orthotic devices:
11 coverage; reimbursement rates; annual report

12 A. A HEALTH CARE SERVICES ORGANIZATION THAT ISSUES, AMENDS,
13 DELIVERS OR RENEWS AN EVIDENCE OF COVERAGE ON OR AFTER JANUARY 1, 2027
14 SHALL PROVIDE COVERAGE FOR PROSTHETIC DEVICES AND ORTHOTIC DEVICES THAT IS
15 AT LEAST EQUIVALENT TO THE COVERAGE THAT IS CURRENTLY PROVIDED UNDER
16 MEDICARE PART B, AND THE COVERAGE MAY NOT BE PROVIDED UNDER LESS FAVORABLE
17 TERMS OR CONDITIONS THAN ANY OTHER MEDICAL OR SURGICAL BENEFITS UNDER THE
18 EVIDENCE OF COVERAGE.

19 B. COVERAGE UNDER AN EVIDENCE OF COVERAGE FOR PROSTHETIC DEVICES
20 AND ORTHOTIC DEVICES SHALL INCLUDE ALL OF THE FOLLOWING:

21 1. THE PURCHASE, FITTING, ADJUSTMENT, REPAIR AND REPLACEMENT OF ONE
22 OR MORE PROSTHETIC DEVICES OR ORTHOTIC DEVICES AS NEEDED TO ACCOMPLISH
23 BOTH OF THE FOLLOWING, AS APPLICABLE:

24 (a) THE REPLACEMENT OF ALL OR PART OF A MISSING BODY PART AND ITS
25 ADJOINING TISSUES.

26 (b) THE REPLACEMENT OF ALL OF THE FUNCTION OF A PERMANENTLY USELESS
27 OR MALFUNCTIONING BODY PART AS NECESSARY TO ALLOW THE ENROLLEE TO DO ALL
28 OF THE FOLLOWING:

29 (i) COMPLETE ACTIVITIES OF DAILY LIVING OR ESSENTIAL JOB-RELATED
30 ACTIVITIES.

31 (ii) PERFORM PHYSICAL ACTIVITIES, INCLUDING RUNNING, BIKING,
32 SWIMMING OR STRENGTH TRAINING, TO MAXIMIZE THE COVERED PERSON'S WHOLE BODY
33 HEALTH AND LOWER AND UPPER LIMB FUNCTION.

34 (iii) SHOWER OR BATHE.

35 2. ALL MATERIALS AND COMPONENTS THAT ARE NECESSARY TO USE THE
36 DEVICE, INCLUDING INSTRUCTIONS ON HOW TO USE THE DEVICE.

37 3. HABILITATIVE OR REHABILITATIVE COVERAGE BENEFITS.

38 C. A PROSTHETIC DEVICE OR ORTHOTIC DEVICE SHALL BE MEDICALLY
39 NECESSARY AS DETERMINED BY AN ENROLLEE'S HEALTH CARE PROVIDER, AND THE
40 HEALTH CARE PROVIDER SHALL CHOOSE THE MOST APPROPRIATE MODEL OF PROSTHETIC
41 DEVICE OR ORTHOTIC DEVICE THAT ADEQUATELY MEETS THE MEDICAL NEEDS OF THE
42 ENROLLEE AND THAT ALLOWS THE ENROLLEE TO PERFORM ACTIVITIES AS PROVIDED IN
43 SUBSECTION B, PARAGRAPH 1 OF THIS SECTION.

44 D. A HEALTH CARE SERVICES ORGANIZATION SHALL INCLUDE IN THE
45 EVIDENCE OF COVERAGE LANGUAGE THAT DESCRIBES BOTH AN ENROLLEE'S RIGHTS

1 UNDER THIS SECTION AND ANY BENEFIT DENIAL LETTERS. IF A HEALTH CARE
2 SERVICES ORGANIZATION DENIES COVERAGE FOR A PROSTHETIC DEVICE OR ORTHOTIC
3 DEVICE, THE HEALTH CARE SERVICES ORGANIZATION SHALL ISSUE THE DENIAL OF
4 COVERAGE IN WRITING.

5 E. THIS SECTION DOES NOT PROHIBIT A HEALTH CARE SERVICES
6 ORGANIZATION FROM IMPOSING COST SHARING FOR PROSTHETIC DEVICES OR ORTHOTIC
7 DEVICES IF THE COST SHARING IS NOT MORE RESTRICTIVE THAN THE COST SHARING
8 REQUIREMENTS FOR INPATIENT PHYSICIAN OR SURGICAL SERVICES. PROSTHETIC
9 DEVICE AND ORTHOTIC DEVICE COVERAGE MAY NOT INCUR SEPARATE COST SHARING
10 REQUIREMENTS THAT ARE APPLICABLE ONLY TO COVERAGE FOR PROSTHETIC DEVICES
11 OR ORTHOTIC DEVICES.

12 F. A HEALTH CARE SERVICES ORGANIZATION SHALL ENSURE THAT AN
13 ENROLLEE HAS ACCESS TO MEDICALLY NECESSARY CLINICAL CARE AND TO PROSTHETIC
14 DEVICES AND ORTHOTIC DEVICES AND TECHNOLOGY FROM NOT LESS THAN TWO
15 DISTINCT PROSTHETIC DEVICE AND ORTHOTIC DEVICE PROVIDERS THAT ARE LOCATED
16 IN THIS STATE.

17 G. IF MEDICALLY NECESSARY COVERED PROSTHETIC DEVICES AND ORTHOTIC
18 DEVICES ARE NOT AVAILABLE FROM AN IN-NETWORK PROVIDER, A HEALTH CARE
19 SERVICES ORGANIZATION SHALL PROVIDE A PROCESS TO REFER AN ENROLLEE TO AN
20 OUT-OF-NETWORK PROVIDER AND SHALL FULLY REIMBURSE THE OUT-OF-NETWORK
21 PROVIDER AT A MUTUALLY AGREED ON RATE, LESS ANY APPLICABLE COST SHARING AS
22 DETERMINED ON AN IN-NETWORK BASIS.

23 H. A HEALTH CARE SERVICES ORGANIZATION SHALL PROVIDE COVERAGE FOR
24 THE REPLACEMENT OF A COVERED PROSTHETIC DEVICE OR ORTHOTIC DEVICE OR FOR
25 THE REPLACEMENT OF ANY PART OF THE DEVICE, AS APPLICABLE, WITHOUT REGARD
26 TO CONTINUOUS USE OR USEFUL LIFETIME RESTRICTIONS IF AN ORDERING HEALTH
27 CARE PROVIDER DETERMINES THAT THE DEVICE OR PART OF THE DEVICE NEEDS TO BE
28 REPLACED DUE TO ANY OF THE FOLLOWING:

29 1. A CHANGE IN THE PHYSIOLOGICAL CONDITION OF THE ENROLLEE.

30 2. AN IRREPARABLE CHANGE IN THE CONDITION OF THE DEVICE OR IN A
31 PART OF THE DEVICE.

32 3. THE CONDITION OF THE DEVICE OR ANY PART OF THE DEVICE REQUIRES
33 REPAIRS AND THE COST OF THE REPAIRS IS MORE THAN SIXTY PERCENT OF THE COST
34 OF A REPLACEMENT DEVICE OR OF THE PART THAT IS BEING REPLACED.

35 I. BEFORE A HEALTH CARE SERVICES ORGANIZATION REPLACES A PROSTHETIC
36 DEVICE OR ORTHOTIC DEVICE THAT IS LESS THAN THREE YEARS OLD, THE HEALTH
37 CARE SERVICES ORGANIZATION MAY REQUEST THAT THE HEALTH CARE PROVIDER
38 CONFIRM THAT THE DEVICE NEEDS TO BE REPLACED.

39 J. A HEALTH CARE SERVICES ORGANIZATION MAY NOT:

40 1. CANCEL OR CHANGE PREMIUMS, BENEFITS OR CONDITIONS UNDER AN
41 EVIDENCE OF COVERAGE ON THE BASIS OF AN ENROLLEE'S ACTUAL OR PERCEIVED
42 DISABILITY.

43 2. DENY PROSTHETIC DEVICE OR ORTHOTIC DEVICE BENEFITS TO AN
44 ENROLLEE WITH LIMB LOSS, LIMB ABSENCE OR LIMB DIFFERENCE IF SUCH BENEFITS
45 WOULD OTHERWISE BE COVERED FOR A PERSON WHO DOES NOT HAVE A DISABILITY AND

1 WHO SEEKS MEDICAL OR SURGICAL INTERVENTION TO RESTORE OR MAINTAIN THE
2 ABILITY TO PERFORM THE SAME PHYSICAL ACTIVITY.

3 K. ON OR BEFORE JANUARY 1, 2028 AND EACH YEAR THEREAFTER, THE
4 DEPARTMENT SHALL ISSUER A REPORT THAT PROVIDES GUIDANCE ON WHAT TYPE OF
5 MEDICAL CARE AND PROSTHETIC DEVICES AND ORTHOTIC DEVICES ARE NECESSARY TO
6 RESTORE FULL PHYSICAL ACTIVITY TO AN ENROLLEE WITH LIMB LOSS, LIMB
7 DIFFERENCE OR MOBILITY IMPAIRMENT.

8 Sec. 3. Title 20, chapter 6, article 4, Arizona Revised Statutes,
9 is amended by adding section 20-1342.09, to read:

10 20-1342.09. Prosthetic devices and orthotic devices:
11 coverage; reimbursement rates; annual report

12 A. A DISABILITY INSURER THAT ISSUES, AMENDS, DELIVERS OR RENEWS A
13 POLICY ON OR AFTER JANUARY 1, 2027 SHALL PROVIDE COVERAGE FOR PROSTHETIC
14 DEVICES AND ORTHOTIC DEVICES THAT IS AT LEAST EQUIVALENT TO THE COVERAGE
15 THAT IS CURRENTLY PROVIDED UNDER MEDICARE PART B, AND THE COVERAGE MAY NOT
16 BE PROVIDED UNDER LESS FAVORABLE TERMS OR CONDITIONS THAN ANY OTHER
17 MEDICAL OR SURGICAL BENEFITS UNDER THE POLICY.

18 B. POLICY COVERAGE FOR PROSTHETIC DEVICES AND ORTHOTIC DEVICES
19 SHALL INCLUDE ALL OF THE FOLLOWING:

20 1. THE PURCHASE, FITTING, ADJUSTMENT, REPAIR AND REPLACEMENT OF ONE
21 OR MORE PROSTHETIC DEVICES OR ORTHOTIC DEVICES AS NEEDED TO ACCOMPLISH
22 BOTH OF THE FOLLOWING, AS APPLICABLE:

23 (a) THE REPLACEMENT OF ALL OR PART OF A MISSING BODY PART AND ITS
24 ADJOINING TISSUES.

25 (b) THE REPLACEMENT OF ALL OF THE FUNCTION OF A PERMANENTLY USELESS
26 OR MALFUNCTIONING BODY PART AS NECESSARY TO ALLOW THE INSURED TO DO ALL OF
27 THE FOLLOWING:

28 (i) COMPLETE ACTIVITIES OF DAILY LIVING OR ESSENTIAL JOB-RELATED
29 ACTIVITIES.

30 (ii) PERFORM PHYSICAL ACTIVITIES, INCLUDING RUNNING, BIKING,
31 SWIMMING OR STRENGTH TRAINING, TO MAXIMIZE THE COVERED PERSON'S WHOLE BODY
32 HEALTH AND LOWER AND UPPER LIMB FUNCTION.

33 (iii) SHOWER OR BATHE.

34 2. ALL MATERIALS AND COMPONENTS THAT ARE NECESSARY TO USE THE
35 DEVICE, INCLUDING INSTRUCTIONS ON HOW TO USE THE DEVICE.

36 3. HABILITATIVE OR REHABILITATIVE COVERAGE BENEFITS.

37 C. A PROSTHETIC DEVICE OR ORTHOTIC DEVICE SHALL BE MEDICALLY
38 NECESSARY AS DETERMINED BY AN INSURED'S HEALTH CARE PROVIDER, AND THE
39 HEALTH CARE PROVIDER SHALL CHOOSE THE MOST APPROPRIATE MODEL OF PROSTHETIC
40 DEVICE OR ORTHOTIC DEVICE THAT ADEQUATELY MEETS THE MEDICAL NEEDS OF THE
41 INSURED AND THAT ALLOWS THE INSURED TO PERFORM ACTIVITIES AS PROVIDED IN
42 SUBSECTION B, PARAGRAPH 1 OF THIS SECTION.

43 D. A DISABILITY INSURER SHALL INCLUDE IN THE POLICY LANGUAGE THAT
44 DESCRIBES BOTH AN INSURED'S RIGHTS UNDER THIS SECTION AND ANY BENEFIT
45 DENIAL LETTERS. IF A DISABILITY INSURER DENIES COVERAGE FOR A PROSTHETIC

1 DEVICE OR ORTHOTIC DEVICE, THE DISABILITY INSURER SHALL ISSUE THE DENIAL
2 OF COVERAGE IN WRITING.

3 E. THIS SECTION DOES NOT PROHIBIT A DISABILITY INSURER FROM
4 IMPOSING COST SHARING FOR PROSTHETIC DEVICES OR ORTHOTIC DEVICES IF THE
5 COST SHARING IS NOT MORE RESTRICTIVE THAN THE COST SHARING REQUIREMENTS
6 FOR INPATIENT PHYSICIAN OR SURGICAL SERVICES. PROSTHETIC DEVICE AND
7 ORTHOTIC DEVICE COVERAGE MAY NOT INCUR SEPARATE COST SHARING REQUIREMENTS
8 THAT ARE APPLICABLE ONLY TO COVERAGE FOR PROSTHETIC DEVICES OR ORTHOTIC
9 DEVICES.

10 F. A DISABILITY INSURER SHALL ENSURE THAT AN INSURED HAS ACCESS TO
11 MEDICALLY NECESSARY CLINICAL CARE AND TO PROSTHETIC DEVICES AND ORTHOTIC
12 DEVICES AND TECHNOLOGY FROM NOT LESS THAN TWO DISTINCT PROSTHETIC DEVICE
13 AND ORTHOTIC DEVICE PROVIDERS THAT ARE LOCATED IN THIS STATE.

14 G. IF MEDICALLY NECESSARY COVERED PROSTHETIC DEVICES AND ORTHOTIC
15 DEVICES ARE NOT AVAILABLE FROM AN IN-NETWORK PROVIDER, A DISABILITY
16 INSURER SHALL PROVIDE A PROCESS TO REFER AN INSURED TO AN OUT-OF-NETWORK
17 PROVIDER AND SHALL FULLY REIMBURSE THE OUT-OF-NETWORK PROVIDER AT A
18 MUTUALLY AGREED ON RATE, LESS ANY APPLICABLE COST SHARING AS DETERMINED ON
19 AN IN-NETWORK BASIS.

20 H. A DISABILITY INSURER SHALL PROVIDE COVERAGE FOR THE REPLACEMENT
21 OF A COVERED PROSTHETIC DEVICE OR ORTHOTIC DEVICE OR FOR THE REPLACEMENT
22 OF ANY PART OF THE DEVICE, AS APPLICABLE, WITHOUT REGARD TO CONTINUOUS USE
23 OR USEFUL LIFETIME RESTRICTIONS IF AN ORDERING HEALTH CARE PROVIDER
24 DETERMINES THAT THE DEVICE OR PART OF THE DEVICE NEEDS TO BE REPLACED DUE
25 TO ANY OF THE FOLLOWING:

- 26 1. A CHANGE IN THE PHYSIOLOGICAL CONDITION OF THE INSURED.
- 27 2. AN IRREPARABLE CHANGE IN THE CONDITION OF THE DEVICE OR IN A
28 PART OF THE DEVICE.
- 29 3. THE CONDITION OF THE DEVICE OR ANY PART OF THE DEVICE REQUIRES
30 REPAIRS AND THE COST OF THE REPAIRS IS MORE THAN SIXTY PERCENT OF THE COST
31 OF A REPLACEMENT DEVICE OR OF THE PART THAT IS BEING REPLACED.

32 I. BEFORE A DISABILITY INSURER REPLACES A PROSTHETIC DEVICE OR
33 ORTHOTIC DEVICE THAT IS LESS THAN THREE YEARS OLD, THE DISABILITY INSURER
34 MAY REQUEST THAT THE HEALTH CARE PROVIDER CONFIRM THAT THE DEVICE NEEDS TO
35 BE REPLACED.

- 36 J. A DISABILITY INSURER MAY NOT:
- 37 1. CANCEL OR CHANGE PREMIUMS, BENEFITS OR CONDITIONS UNDER A POLICY
38 ON THE BASIS OF AN INSURED'S ACTUAL OR PERCEIVED DISABILITY.
 - 39 2. DENY PROSTHETIC DEVICE OR ORTHOTIC DEVICE BENEFITS TO AN INSURED
40 WITH LIMB LOSS, LIMB ABSENCE OR LIMB DIFFERENCE IF SUCH BENEFITS WOULD
41 OTHERWISE BE COVERED FOR A PERSON WHO DOES NOT HAVE A DISABILITY AND WHO
42 SEEKS MEDICAL OR SURGICAL INTERVENTION TO RESTORE OR MAINTAIN THE ABILITY
43 TO PERFORM THE SAME PHYSICAL ACTIVITY.

44 K. ON OR BEFORE JANUARY 1, 2028 AND EACH YEAR THEREAFTER, THE
45 DEPARTMENT SHALL ISSUE A REPORT THAT PROVIDES GUIDANCE ON WHAT TYPE OF

1 MEDICAL CARE AND PROSTHETIC DEVICES AND ORTHOTIC DEVICES ARE NECESSARY TO
2 RESTORE FULL PHYSICAL ACTIVITY TO AN INSURED WITH LIMB LOSS, LIMB
3 DIFFERENCE OR MOBILITY IMPAIRMENT.

4 Sec. 4. Title 20, chapter 6, article 5, Arizona Revised Statutes,
5 is amended by adding section 20-1404.07, to read:

6 20-1404.07. Prosthetic devices and orthotic devices;
7 coverage; reimbursement rates; annual report

8 A. A GROUP OR BLANKET DISABILITY INSURER THAT ISSUES, AMENDS,
9 DELIVERS OR RENEWS A POLICY ON OR AFTER JANUARY 1, 2027 SHALL PROVIDE
10 COVERAGE FOR PROSTHETIC DEVICES AND ORTHOTIC DEVICES THAT IS AT LEAST
11 EQUIVALENT TO THE COVERAGE THAT IS CURRENTLY PROVIDED UNDER MEDICARE PART
12 B, AND THE COVERAGE MAY NOT BE PROVIDED UNDER LESS FAVORABLE TERMS OR
13 CONDITIONS THAN ANY OTHER MEDICAL OR SURGICAL BENEFITS UNDER THE POLICY.

14 B. POLICY COVERAGE FOR PROSTHETIC DEVICES AND ORTHOTIC DEVICES
15 SHALL INCLUDE ALL OF THE FOLLOWING:

16 1. THE PURCHASE, FITTING, ADJUSTMENT, REPAIR AND REPLACEMENT OF ONE
17 OR MORE PROSTHETIC DEVICES OR ORTHOTIC DEVICES AS NEEDED TO ACCOMPLISH
18 BOTH OF THE FOLLOWING, AS APPLICABLE:

19 (a) THE REPLACEMENT OF ALL OR PART OF A MISSING BODY PART AND ITS
20 ADJOINING TISSUES.

21 (b) THE REPLACEMENT OF ALL OF THE FUNCTION OF A PERMANENTLY USELESS
22 OR MALFUNCTIONING BODY PART AS NECESSARY TO ALLOW THE INSURED TO DO ALL OF
23 THE FOLLOWING:

24 (i) COMPLETE ACTIVITIES OF DAILY LIVING OR ESSENTIAL JOB-RELATED
25 ACTIVITIES.

26 (ii) PERFORM PHYSICAL ACTIVITIES, INCLUDING RUNNING, BIKING,
27 SWIMMING OR STRENGTH TRAINING, TO MAXIMIZE THE COVERED PERSON'S WHOLE BODY
28 HEALTH AND LOWER AND UPPER LIMB FUNCTION.

29 (iii) SHOWER OR BATHE.

30 2. ALL MATERIALS AND COMPONENTS THAT ARE NECESSARY TO USE THE
31 DEVICE, INCLUDING INSTRUCTIONS ON HOW TO USE THE DEVICE.

32 3. HABILITATIVE OR REHABILITATIVE COVERAGE BENEFITS.

33 C. A PROSTHETIC DEVICE OR ORTHOTIC DEVICE SHALL BE MEDICALLY
34 NECESSARY AS DETERMINED BY AN INSURED'S HEALTH CARE PROVIDER, AND THE
35 HEALTH CARE PROVIDER SHALL CHOOSE THE MOST APPROPRIATE MODEL OF PROSTHETIC
36 DEVICE OR ORTHOTIC DEVICE THAT ADEQUATELY MEETS THE MEDICAL NEEDS OF THE
37 INSURED AND THAT ALLOWS THE INSURED TO PERFORM ACTIVITIES AS PROVIDED IN
38 SUBSECTION B, PARAGRAPH 1 OF THIS SECTION.

39 D. A GROUP OR BLANKET DISABILITY INSURER SHALL INCLUDE IN THE
40 POLICY LANGUAGE THAT DESCRIBES BOTH AN INSURED'S RIGHTS UNDER THIS SECTION
41 AND ANY BENEFIT DENIAL LETTERS. IF A GROUP OR BLANKET DISABILITY INSURER
42 DENIES COVERAGE FOR A PROSTHETIC DEVICE OR ORTHOTIC DEVICE, THE GROUP OR
43 BLANKET DISABILITY INSURER SHALL ISSUE THE DENIAL OF COVERAGE IN WRITING.

44 E. THIS SECTION DOES NOT PROHIBIT A GROUP OR BLANKET DISABILITY
45 INSURER FROM IMPOSING COST SHARING FOR PROSTHETIC DEVICES OR ORTHOTIC

1 DEVICES IF THE COST SHARING IS NOT MORE RESTRICTIVE THAN THE COST SHARING
2 REQUIREMENTS FOR INPATIENT PHYSICIAN OR SURGICAL SERVICES. PROSTHETIC
3 DEVICE AND ORTHOTIC DEVICE COVERAGE MAY NOT INCUR SEPARATE COST SHARING
4 REQUIREMENTS THAT ARE APPLICABLE ONLY TO COVERAGE FOR PROSTHETIC DEVICES
5 OR ORTHOTIC DEVICES.

6 F. A GROUP OR BLANKET DISABILITY INSURER SHALL ENSURE THAT AN
7 INSURED HAS ACCESS TO MEDICALLY NECESSARY CLINICAL CARE AND TO PROSTHETIC
8 DEVICES AND ORTHOTIC DEVICES AND TECHNOLOGY FROM NOT LESS THAN TWO
9 DISTINCT PROSTHETIC DEVICE AND ORTHOTIC DEVICE PROVIDERS THAT ARE LOCATED
10 IN THIS STATE.

11 G. IF MEDICALLY NECESSARY COVERED PROSTHETIC DEVICES AND ORTHOTIC
12 DEVICES ARE NOT AVAILABLE FROM AN IN-NETWORK PROVIDER, A GROUP OR BLANKET
13 DISABILITY INSURER SHALL PROVIDE A PROCESS TO REFER AN INSURED TO AN
14 OUT-OF-NETWORK PROVIDER AND SHALL FULLY REIMBURSE THE OUT-OF-NETWORK
15 PROVIDER AT A MUTUALLY AGREED ON RATE, LESS ANY APPLICABLE COST SHARING AS
16 DETERMINED ON AN IN-NETWORK BASIS.

17 H. A GROUP OR BLANKET DISABILITY INSURER SHALL PROVIDE COVERAGE FOR
18 THE REPLACEMENT OF A COVERED PROSTHETIC DEVICE OR ORTHOTIC DEVICE OR FOR
19 THE REPLACEMENT OF ANY PART OF THE DEVICE, AS APPLICABLE, WITHOUT REGARD
20 TO CONTINUOUS USE OR USEFUL LIFETIME RESTRICTIONS IF AN ORDERING HEALTH
21 CARE PROVIDER DETERMINES THAT THE DEVICE OR PART OF THE DEVICE NEEDS TO BE
22 REPLACED DUE TO ANY OF THE FOLLOWING:

23 1. A CHANGE IN THE PHYSIOLOGICAL CONDITION OF THE INSURED.

24 2. AN IRREPARABLE CHANGE IN THE CONDITION OF THE DEVICE OR IN A
25 PART OF THE DEVICE.

26 3. THE CONDITION OF THE DEVICE OR ANY PART OF THE DEVICE REQUIRES
27 REPAIRS AND THE COST OF THE REPAIRS IS MORE THAN SIXTY PERCENT OF THE COST
28 OF A REPLACEMENT DEVICE OR OF THE PART THAT IS BEING REPLACED.

29 I. BEFORE A GROUP OR BLANKET DISABILITY INSURER REPLACES A
30 PROSTHETIC DEVICE OR ORTHOTIC DEVICE THAT IS LESS THAN THREE YEARS OLD,
31 THE GROUP OR BLANKET DISABILITY INSURER MAY REQUEST THAT THE HEALTH CARE
32 PROVIDER CONFIRM THAT THE DEVICE NEEDS TO BE REPLACED.

33 J. A GROUP OR BLANKET DISABILITY INSURER MAY NOT:

34 1. CANCEL OR CHANGE PREMIUMS, BENEFITS OR CONDITIONS UNDER A POLICY
35 ON THE BASIS OF AN INSURED'S ACTUAL OR PERCEIVED DISABILITY.

36 2. DENY PROSTHETIC DEVICE OR ORTHOTIC DEVICE BENEFITS TO AN INSURED
37 WITH LIMB LOSS, LIMB ABSENCE OR LIMB DIFFERENCE IF SUCH BENEFITS WOULD
38 OTHERWISE BE COVERED FOR A PERSON WHO DOES NOT HAVE A DISABILITY AND WHO
39 SEEKS MEDICAL OR SURGICAL INTERVENTION TO RESTORE OR MAINTAIN THE ABILITY
40 TO PERFORM THE SAME PHYSICAL ACTIVITY.

41 K. ON OR BEFORE JANUARY 1, 2028 AND EACH YEAR THEREAFTER, THE
42 DEPARTMENT SHALL ISSUE A REPORT THAT PROVIDES GUIDANCE ON WHAT TYPE OF
43 MEDICAL CARE AND PROSTHETIC DEVICES AND ORTHOTIC DEVICES ARE NECESSARY TO
44 RESTORE FULL PHYSICAL ACTIVITY TO AN INSURED WITH LIMB LOSS, LIMB
45 DIFFERENCE OR MOBILITY IMPAIRMENT.

