

REFERENCE TITLE: health insurance claims; consumer assistance

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

HB 2581

Introduced by

Representatives Simacek: Aguilar, Blattman, Cavero, Connolly, Contreras P,
Crews, De Los Santos, Garcia, Gutierrez, Liguori, Márquez, Sandoval, Stahl
Hamilton, Travers, Volk; Senator Gonzales

AN ACT

AMENDING TITLE 20, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 20-128; APPROPRIATING MONIES; RELATING TO THE DEPARTMENT OF
INSURANCE AND FINANCIAL INSTITUTIONS.

(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 1, article 1, Arizona Revised
3 Statutes, is amended by adding section 20-128, to read:

4 20-128. Health care claims consumer assistance program; civil
5 penalty; data collection; reporting requirements;
6 public posting; rules; definitions

7 A. A HEALTH CARE CLAIMS CONSUMER ASSISTANCE PROGRAM IS ESTABLISHED
8 IN THE DEPARTMENT TO PROVIDE SUPPORT TO CONSUMERS WHO ARE ENROLLED IN A
9 HEALTH PLAN OR WHO ARE SEEKING TO ENROLL IN A HEALTH PLAN.

10 B. THE HEALTH CARE CLAIMS CONSUMER ASSISTANCE PROGRAM SHALL:

11 1. ASSIST CONSUMERS WITH FILING COMPLAINTS AND APPEALS WITH A
12 HEALTH INSURER OR WITH THE UTILIZATION REVIEW PROCESS AS PROVIDED IN
13 CHAPTER 15 OF THIS TITLE.

14 2. ASSIST CONSUMERS WITH SETTLING CONFLICTS, DISPUTED CLAIMS OR
15 CLAIMS DENIALS WITH A HEALTH INSURER.

16 3. EDUCATE CONSUMERS ON THEIR RIGHTS AND RESPONSIBILITIES WITH
17 RESPECT TO HEALTH INSURANCE COVERAGE.

18 C. THE DEPARTMENT MAY IMPOSE CIVIL PENALTIES IF THE DEPARTMENT
19 FINDS THAT A HEALTH INSURER CONTINUOUSLY VIOLATES A HEALTH PLAN. IF THE
20 DEPARTMENT PROVIDES PROPER NOTICE AND AN OPPORTUNITY TO THE HEALTH INSURER
21 TO REMEDY REPEATED VIOLATIONS AND THE HEALTH INSURER CONTINUES TO VIOLATE
22 A HEALTH PLAN, THE DEPARTMENT MAY IMPOSE A CIVIL PENALTY OF AT LEAST
23 \$25,000 FOR EACH VIOLATION FOR WHICH THE HEALTH INSURER WRONGFULLY DENIED
24 OR INSUFFICIENTLY PAID A VALID CONSUMER INSURANCE CLAIM.

25 D. IF THE DEPARTMENT OR A COURT FINDS THAT A HEALTH INSURER HAS
26 WRONGFULLY DENIED OR INSUFFICIENTLY COVERED A VALID CONSUMER INSURANCE
27 CLAIM, THE HEALTH INSURER IS AUTOMATICALLY LIABLE TO PAY DOUBLE THE AMOUNT
28 THAT WAS WRONGFULLY DENIED OR INSUFFICIENTLY COVERED, INCLUDING ATTORNEY
29 FEES.

30 E. THE DEPARTMENT OR THE COURT MAY ASSESS ADDITIONAL DAMAGES TO BE
31 PAID TO AN INSURED ON REVIEW OF THE FOLLOWING FACTORS, AS APPROPRIATE, IF
32 THE HARM WAS SEVERE:

33 1. THE NATURE, SCOPE AND GRAVITY OF THE VIOLATION.

34 2. THE SEVERITY OF THE POTENTIAL HARM TO THE POLICYHOLDER,
35 INCLUDING:

36 (a) LOSS OF LIFE.

37 (b) LOSS OF HEALTH.

38 (c) EMOTIONAL DISTRESS.

39 (d) FINANCIAL HARM.

40 3. THE NATURE AND EXTENT TO WHICH THE HEALTH INSURER COOPERATED
41 WITH THE DEPARTMENT.

42 4. THE NATURE AND EXTENT TO WHICH THE HEALTH INSURER AGGRAVATED OR
43 MITIGATED ANY INJURY OR DAMAGED CAUSED BY THE VIOLATION.

44 5. THE NATURE AND EXTENT TO WHICH THE HEALTH INSURER HAS TAKEN
45 CORRECTIVE ACTION TO ENSURE THE VIOLATION WILL NOT RECUR.

1 F. ON OR BEFORE DECEMBER 31, 2026 AND EVERY YEAR THEREAFTER, THE
2 DEPARTMENT SHALL ADJUST THE PENALTY AMOUNT PRESCRIBED IN SUBSECTION C OF
3 THIS SECTION BASED ON WHICHEVER IS THE HIGHER OF:
4 1. THE AVERAGE RATE OF CHANGE IN PREMIUM RATES FOR INSURED IN A
5 GROUP MARKET THAT IS WEIGHTED BY ENROLLMENT SINCE THE PREVIOUS ADJUSTMENT.
6 2. ANY ADJUSTMENT BASED ON INFLATION.
7 G. THE DEPARTMENT SHALL KEEP RECORDS OF WRONGFUL CLAIMS DENIALS
8 THAT ARE BROUGHT TO THE HEALTH CARE CLAIMS CONSUMER ASSISTANCE PROGRAM.
9 H. A HEALTH INSURER SHALL DISCLOSE DATA ON WRONGFUL CLAIMS DENIALS
10 TO THE DEPARTMENT ON REQUEST AND IN A READABLE FORMAT THAT INCLUDES:
11 1. THE NUMBER, PERCENTAGE AND TYPES OF DENIED CLAIMS.
12 2. THE NUMBER, PERCENTAGE AND TYPES OF WRONGFULLY DENIED CLAIMS.
13 I. IF A HEALTH INSURER IS FOUND TO HAVE VIOLATED THIS SECTION MORE
14 THAN THE MEDIAN PERCENTAGE OF WRONGFUL DENIALS SINCE THE PREVIOUS YEAR,
15 THE DEPARTMENT SHALL REVIEW EACH VIOLATION IN THE CURRENT YEAR TO
16 DETERMINE WHETHER PENALTIES SHOULD BE IMPOSED.
17 J. ON OR BEFORE MAY 1, 2027 AND EVERY YEAR THEREAFTER, THE
18 DEPARTMENT SHALL:
19 1. COMPILE A REPORT THAT CONTAINS ALL OF THE FOLLOWING:
20 (a) THE NUMBER AND TYPE OF DENIED CLAIMS, INCLUDING RAW NUMBERS AND
21 NUMBERS AS A PERCENTAGE OF THE TOTAL CLAIMS.
22 (b) THE NUMBER AND TYPE OF WRONGFULLY DENIED CLAIMS, INCLUDING RAW
23 NUMBERS AND NUMBERS AS A PERCENTAGE OF THE TOTAL CLAIMS.
24 (c) THE NUMBER AND TYPE OF DENIED CLAIMS THAT WERE APPEALED AND
25 REPORTED TO THE HEALTH CARE CLAIMS CONSUMER ASSISTANCE PROGRAM.
26 (d) THE NUMBER OF DENIED CLAIMS THAT WERE APPEALED AND BROUGHT TO
27 THE HEALTH CARE CLAIMS CONSUMER ASSISTANCE PROGRAM.
28 (e) THE NUMBER, TYPE AND PERCENTAGE OF WRONGFULLY DENIED CLAIMS BY
29 EACH INSURER FOR EACH HEALTH PLAN.
30 (f) THE OUTCOME OF ANY INVESTIGATION FOR EACH HEALTH INSURER THAT
31 WAS CONDUCTED BY THE DEPARTMENT FOR A VIOLATION OF THIS SECTION.
32 2. POST THE REPORT ON THE DEPARTMENT'S PUBLICLY ACCESSIBLE WEBSITE
33 AND PROVIDE A COPY TO:
34 (a) THE GOVERNOR'S OFFICE.
35 (b) THE PRESIDENT OF THE SENATE.
36 (c) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.
37 (d) THE MINORITY LEADER IN THE SENATE.
38 (e) THE MINORITY LEADER IN THE HOUSE OF REPRESENTATIVES.
39 (f) THE SECRETARY OF STATE.
40 K. THE DEPARTMENT SHALL ADOPT RULES TO IMPLEMENT THIS SECTION.
41 L. FOR THE PURPOSES OF THIS SECTION:
42 1. "CONSUMER" MEANS CUSTOMERS OR POTENTIAL CUSTOMERS OF A HEALTH
43 PLAN.
44 2. "ENROLLED" MEANS AN INDIVIDUAL OR PERSON WHO IS UNDER A HEALTH
45 CARE PLAN.

