

REFERENCE TITLE: dental or optometric services; contracts

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

# HB 2272

Introduced by  
Representative Livingston

AN ACT

AMENDING SECTION 20-826, ARIZONA REVISED STATUTES; RELATING TO DENTAL AND OPTOMETRIC SERVICE CORPORATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 20-826, Arizona Revised Statutes, is amended to  
3 read:

4 20-826. Subscription contracts; definitions

5 A. A contract between a corporation and its subscribers shall not  
6 be issued unless the form of such contract is approved in writing by the  
7 director.

8 B. Each contract shall plainly state the services to which the  
9 subscriber is entitled and those to which the subscriber is not entitled  
10 under the plan, and shall constitute a direct obligation of the providers  
11 of services with which the corporation has contracted for hospital,  
12 medical, dental or optometric services.

13 C. Each contract, except for dental services or optometric  
14 services, shall be so written that the corporation shall pay benefits for  
15 each of the following:

16 1. Performance of any surgical service that is covered by the terms  
17 of such contract, regardless of the place of service.

18 2. Any home health services that are performed by a licensed home  
19 health agency and that a physician has prescribed in lieu of hospital  
20 services, as defined by the director, providing the hospital services  
21 would have been covered.

22 3. Any diagnostic service that a physician has performed outside a  
23 hospital in lieu of inpatient service, providing the inpatient service  
24 would have been covered.

25 4. Any service performed in a hospital's outpatient department or  
26 in a freestanding surgical facility, if such service would have been  
27 covered if performed as an inpatient service.

28 D. Each contract for dental or optometric services shall be so  
29 written that the corporation shall pay benefits for contracted dental or  
30 optometric services provided by dentists or optometrists. **THE CONTRACT**  
31 **SHALL BE CONSTRUED ACCORDING TO THE ENTIRELY OF ITS TERMS AND CONDITIONS**  
32 **AS SET FORTH IN THE CONTRACT AND AS AMPLIFIED, EXTENDED OR MODIFIED BY A**  
33 **CERTIFICATE, RIDER, ENDORSEMENT, SCHEDULE, SUMMARY OR APPLICATION THAT IS**  
34 **ATTACHED TO AND MADE PART OF THE CONTRACT. ANY DOCUMENT THAT IS A PART OF**  
35 **THE CONTRACT MAY INCLUDE LANGUAGE THAT INDICATES WHICH DOCUMENT CONTROLS**  
36 **IF A CONFLICT EXISTS BETWEEN THE DOCUMENTS.**

37 E. Any contract, except accidental death and dismemberment, applied  
38 for that provides family coverage, as to such coverage of family members,  
39 shall also provide that the benefits applicable for children shall be  
40 payable with respect to a newly born child of the insured from the instant  
41 of such child's birth, to a child adopted by the insured, regardless of  
42 the age at which the child was adopted, and to a child who has been placed  
43 for adoption with the insured and for whom the application and approval  
44 procedures for adoption pursuant to section 8-105 or 8-108 have been  
45 completed to the same extent that such coverage applies to other members

1 of the family. The coverage for newly born or adopted children or  
2 children placed for adoption shall include coverage of injury or sickness,  
3 including necessary care and treatment of medically diagnosed congenital  
4 defects and birth abnormalities. If payment of a specific premium is  
5 required to provide coverage for a child, the contract may require that  
6 notification of birth, adoption or adoption placement of the child and  
7 payment of the required premium must be furnished to the insurer within  
8 thirty-one days after the date of birth, adoption or adoption placement in  
9 order to have the coverage continue beyond the thirty-one day period.

10 F. Each contract that is delivered or issued for delivery in this  
11 state after December 25, 1977 and that provides that coverage of a  
12 dependent child shall terminate on attainment of the limiting age for  
13 dependent children specified in the contract shall also provide in  
14 substance that attainment of such limiting age shall not operate to  
15 terminate the coverage of such child while the child is and continues to  
16 be both incapable of self-sustaining employment by reason of intellectual  
17 disability or physical disability and chiefly dependent on the subscriber  
18 for support and maintenance. Proof of such incapacity and dependency  
19 shall be furnished to the corporation by the subscriber within thirty-one  
20 days of the child's attainment of the limiting age and subsequently as may  
21 be required by the corporation, but not more frequently than annually  
22 after the two-year period following the child's attainment of the limiting  
23 age.

24 G. A corporation may not cancel or refuse to renew any subscriber's  
25 contract without giving notice of such cancellation or nonrenewal to the  
26 subscriber under such contract. A notice by the corporation to the  
27 subscriber of cancellation or nonrenewal of a subscription contract shall  
28 be mailed to the named subscriber at least forty-five days before the  
29 effective date of such cancellation or nonrenewal. The notice shall  
30 include or be accompanied by a statement in writing of the reasons for  
31 such action by the corporation. Failure of the corporation to comply with  
32 this subsection shall invalidate any cancellation or nonrenewal except a  
33 cancellation or nonrenewal for nonpayment of premium.

34 H. A contract that provides coverage for surgical services for a  
35 mastectomy shall also provide coverage incidental to the patient's covered  
36 mastectomy for surgical services for reconstruction of the breast on which  
37 the mastectomy was performed, surgery and reconstruction of the other  
38 breast to produce a symmetrical appearance, prostheses, treatment of  
39 physical complications for all stages of the mastectomy, including  
40 lymphedemas, and at least two external postoperative prostheses subject to  
41 all of the terms and conditions of the policy.

42 I. A contract that provides coverage for surgical services for a  
43 mastectomy shall also provide coverage for preventive mammography  
44 screening and diagnostic imaging performed on dedicated equipment for

1 diagnostic purposes on referral by a patient's physician, subject to all  
2 of the terms and conditions of the policy, including:

3 1. A mammogram.

4 2. Digital breast tomosynthesis, magnetic resonance imaging,  
5 ultrasound or other modality and at such age and intervals as recommended  
6 by the national comprehensive cancer network. This includes patients at  
7 risk for breast cancer who have a family history with one or more first or  
8 second degree relatives with breast cancer, prior diagnosis of breast  
9 cancer, positive testing for hereditary gene mutations or heterogeneously  
10 or dense breast tissue based on the breast imaging reporting and data  
11 system of the American college of radiology.

12 J. Any contract that is issued to the insured and that provides  
13 coverage for maternity benefits shall also provide that the maternity  
14 benefits apply to the costs of the birth of any child legally adopted by  
15 the insured if all of the following are true:

16 1. The child is adopted within one year of birth.

17 2. The insured is legally obligated to pay the costs of birth.

18 3. All preexisting conditions and other limitations have been met  
19 by the insured.

20 4. The insured has notified the insurer of the insured's  
21 acceptability to adopt children pursuant to section 8-105, within sixty  
22 days after such approval or within sixty days after a change in insurance  
23 policies, plans or companies.

24 K. The coverage prescribed by subsection J of this section is  
25 excess to any other coverage the natural mother may have for maternity  
26 benefits except coverage made available to persons pursuant to title 36,  
27 chapter 29. If such other coverage exists, the agency, attorney or  
28 individual arranging the adoption shall make arrangements for the  
29 insurance to pay those costs that may be covered under that policy and  
30 shall advise the adopting parent in writing of the existence and extent of  
31 the coverage without disclosing any confidential information such as the  
32 identity of the natural parent. The insured adopting parents shall notify  
33 their insurer of the existence and extent of the other coverage.

34 L. The director may disapprove any contract if the benefits  
35 provided in the form of such contract are unreasonable in relation to the  
36 premium charged.

37 M. The director shall adopt emergency rules applicable to persons  
38 who are leaving active service in the armed forces of the United States  
39 and returning to civilian status including:

40 1. Conditions of eligibility.

41 2. Coverage of dependents.

42 3. Preexisting conditions.

43 4. Termination of insurance.

44 5. Probationary periods.

45 6. Limitations.

- 1           7. Exceptions.
- 2           8. Reductions.
- 3           9. Elimination periods.
- 4           10. Requirements for replacement.
- 5           11. Any other condition of subscription contracts.
- 6           N. Any contract that provides maternity benefits shall not restrict
- 7 benefits for any hospital length of stay in connection with childbirth for
- 8 the mother or the newborn child to less than forty-eight hours following a
- 9 normal vaginal delivery or ninety-six hours following a cesarean section.
- 10 The contract shall not require the provider to obtain authorization from
- 11 the corporation for prescribing the minimum length of stay required by
- 12 this subsection. The contract may provide that an attending provider in
- 13 consultation with the mother may discharge the mother or the newborn child
- 14 before the expiration of the minimum length of stay required by this
- 15 subsection. The corporation shall not:
- 16           1. Deny the mother or the newborn child eligibility or continued
- 17 eligibility to enroll or to renew coverage under the terms of the contract
- 18 solely for the purpose of avoiding the requirements of this subsection.
- 19           2. Provide monetary payments or rebates to mothers to encourage
- 20 those mothers to accept less than the minimum protections available
- 21 pursuant to this subsection.
- 22           3. Penalize or otherwise reduce or limit the reimbursement of an
- 23 attending provider because that provider provided care to any insured
- 24 under the contract in accordance with this subsection.
- 25           4. Provide monetary or other incentives to an attending provider to
- 26 induce that provider to provide care to an insured under the contract in a
- 27 manner that is inconsistent with this subsection.
- 28           5. Except as described in subsection O of this section, restrict
- 29 benefits for any portion of a period within the minimum length of stay in
- 30 a manner that is less favorable than the benefits provided for any
- 31 preceding portion of that stay.
- 32           O. Subsection N of this section does not:
- 33           1. Require a mother to give birth in a hospital or to stay in the
- 34 hospital for a fixed period of time following the birth of the child.
- 35           2. Prevent a corporation from imposing deductibles, coinsurance or
- 36 other cost sharing in relation to benefits for hospital lengths of stay in
- 37 connection with childbirth for a mother or a newborn child under the
- 38 contract, except that any coinsurance or other cost sharing for any
- 39 portion of a period within a hospital length of stay required pursuant to
- 40 subsection N of this section shall not be greater than the coinsurance or
- 41 cost sharing for any preceding portion of that stay.
- 42           3. Prevent a corporation from negotiating the level and type of
- 43 reimbursement with a provider for care provided in accordance with
- 44 subsection N of this section.

1 P. Any contract that provides coverage for diabetes shall also  
2 provide coverage for equipment and supplies that are medically necessary  
3 and that are prescribed by a health care provider, including:

- 4 1. Blood glucose monitors.
- 5 2. Blood glucose monitors for the legally blind.
- 6 3. Test strips for glucose monitors and visual reading and urine  
7 testing strips.
- 8 4. Insulin preparations and glucagon.
- 9 5. Insulin cartridges.
- 10 6. Drawing up devices and monitors for the visually impaired.
- 11 7. Injection aids.
- 12 8. Insulin cartridges for the legally blind.
- 13 9. Syringes and lancets, including automatic lancing devices.
- 14 10. Prescribed oral agents for controlling blood sugar that are  
15 included on the plan formulary.
- 16 11. To the extent coverage is required under medicare, podiatric  
17 appliances for prevention of complications associated with diabetes.
- 18 12. Any other device, medication, equipment or supply for which  
19 coverage is required under medicare from and after January 1, 1999. The  
20 coverage required in this paragraph is effective six months after the  
21 coverage is required under medicare.

22 Q. Subsection P of this section does not prohibit a medical service  
23 corporation, a hospital service corporation or a hospital, medical, dental  
24 and optometric service corporation from imposing deductibles, coinsurance  
25 or other cost sharing in relation to benefits for equipment or supplies  
26 for the treatment of diabetes.

27 R. Any hospital or medical service contract that provides coverage  
28 for prescription drugs shall not limit or exclude coverage for any  
29 prescription drug prescribed for the treatment of cancer on the basis that  
30 the prescription drug has not been approved by the United States food and  
31 drug administration for the treatment of the specific type of cancer for  
32 which the prescription drug has been prescribed, if the prescription drug  
33 has been recognized as safe and effective for treatment of that specific  
34 type of cancer in one or more of the standard medical reference compendia  
35 prescribed in subsection S of this section or medical literature that  
36 meets the criteria prescribed in subsection S of this section. The  
37 coverage required under this subsection includes covered medically  
38 necessary services associated with the administration of the prescription  
39 drug. This subsection does not:

- 40 1. Require coverage of any prescription drug used in the treatment  
41 of a type of cancer if the United States food and drug administration has  
42 determined that the prescription drug is contraindicated for that type of  
43 cancer.

1           2. Require coverage for any experimental prescription drug that is  
2 not approved for any indication by the United States food and drug  
3 administration.

4           3. Alter any law with regard to provisions that limit the coverage  
5 of prescription drugs that have not been approved by the United States  
6 food and drug administration.

7           4. Notwithstanding section 20-841.05, require reimbursement or  
8 coverage for any prescription drug that is not included in the drug  
9 formulary or list of covered prescription drugs specified in the contract.

10          5. Notwithstanding section 20-841.05, prohibit a contract from  
11 limiting or excluding coverage of a prescription drug, if the decision to  
12 limit or exclude coverage of the prescription drug is not based primarily  
13 on the coverage of prescription drugs required by this section.

14          6. Prohibit the use of deductibles, coinsurance, copayments or  
15 other cost sharing in relation to drug benefits and related medical  
16 benefits offered.

17          S. For the purposes of subsection R of this section:

18           1. The acceptable standard medical reference compendia are the  
19 following:

20           (a) The American hospital formulary service drug information, a  
21 publication of the American society of health system pharmacists.

22           (b) The national comprehensive cancer network drugs and biologics  
23 compendium.

24           (c) Thomson Micromedex compendium DrugDex.

25           (d) Elsevier gold standard's clinical pharmacology compendium.

26           (e) Other authoritative compendia as identified by the secretary of  
27 the United States department of health and human services.

28          2. Medical literature may be accepted if all of the following  
29 apply:

30           (a) At least two articles from major peer reviewed professional  
31 medical journals have recognized, based on scientific or medical criteria,  
32 the drug's safety and effectiveness for treatment of the indication for  
33 which the drug has been prescribed.

34           (b) No article from a major peer reviewed professional medical  
35 journal has concluded, based on scientific or medical criteria, that the  
36 drug is unsafe or ineffective or that the drug's safety and effectiveness  
37 cannot be determined for the treatment of the indication for which the  
38 drug has been prescribed.

39           (c) The literature meets the uniform requirements for manuscripts  
40 submitted to biomedical journals established by the international  
41 committee of medical journal editors or is published in a journal  
42 specified by the United States department of health and human services as  
43 acceptable peer reviewed medical literature pursuant to section  
44 186(t)(2)(B) of the social security act (42 United States Code section  
45 1395x(t)(2)(B)).

1 T. A corporation shall not issue or deliver any advertising matter  
2 or sales material to any person in this state until the corporation files  
3 the advertising matter or sales material with the director. This  
4 subsection does not require a corporation to have the prior approval of  
5 the director to issue or deliver the advertising matter or sales material.  
6 If the director finds that the advertising matter or sales material, in  
7 whole or in part, is false, deceptive or misleading, the director may  
8 issue an order disapproving the advertising matter or sales material,  
9 directing the corporation to cease and desist from issuing, circulating,  
10 displaying or using the advertising matter or sales material within a  
11 period of time specified by the director but not less than ten days and  
12 imposing any penalties prescribed in this title. At least five days  
13 before issuing an order pursuant to this subsection, the director shall  
14 provide the corporation with a written notice of the basis of the order to  
15 provide the corporation with an opportunity to cure the alleged deficiency  
16 in the advertising matter or sales material within a single five-day  
17 period for the particular advertising matter or sales material at issue.  
18 The corporation may appeal the director's order pursuant to title 41,  
19 chapter 6, article 10. Except as otherwise provided in this subsection, a  
20 corporation may obtain a stay of the effectiveness of the order as  
21 prescribed in section 20-162. If the director certifies in the order and  
22 provides a detailed explanation of the reasons in support of the  
23 certification that continued use of the advertising matter or sales  
24 material poses a threat to the health, safety or welfare of the public,  
25 the order may be entered immediately without opportunity for cure and the  
26 effectiveness of the order is not stayed pending the hearing on the notice  
27 of appeal but the hearing shall be promptly instituted and determined.

28 U. Any contract that is offered by a hospital service corporation  
29 or medical service corporation and that contains a prescription drug  
30 benefit shall provide coverage of medical foods to treat inherited  
31 metabolic disorders as provided by this section.

32 V. The metabolic disorders triggering medical foods coverage under  
33 this section shall:

34 1. Be part of the newborn screening program prescribed in section  
35 36-694.

36 2. Involve amino acid, carbohydrate or fat metabolism.

37 3. Have medically standard methods of diagnosis, treatment and  
38 monitoring, including quantification of metabolites in blood, urine or  
39 spinal fluid or enzyme or DNA confirmation in tissues.

40 4. Require specially processed or treated medical foods that are  
41 generally available only under the supervision and direction of a  
42 physician who is licensed pursuant to title 32, chapter 13 or 17 or a  
43 registered nurse practitioner who is licensed pursuant to title 32,  
44 chapter 15, that must be consumed throughout life and without which the  
45 person may suffer serious mental or physical impairment.

1           W. Medical foods eligible for coverage under this section shall be  
2 prescribed or ordered under the supervision of a physician licensed  
3 pursuant to title 32, chapter 13 or 17 as medically necessary for the  
4 therapeutic treatment of an inherited metabolic disease.

5           X. A hospital service corporation or medical service corporation  
6 shall cover at least fifty percent of the cost of medical foods prescribed  
7 to treat inherited metabolic disorders and covered pursuant to this  
8 section. A hospital service corporation or medical service corporation  
9 may limit the maximum annual benefit for medical foods under this section  
10 to \$5,000, which applies to the cost of all prescribed modified low  
11 protein foods and metabolic formula.

12           Y. Any contract between a corporation and its subscribers is  
13 subject to the following:

14           1. If the contract provides coverage for prescription drugs, the  
15 contract shall provide coverage for any prescribed drug or device that is  
16 approved by the United States food and drug administration for use as a  
17 contraceptive. A corporation may use a drug formulary, multitiered drug  
18 formulary or list but that formulary or list shall include oral, implant  
19 and injectable contraceptive drugs, intrauterine devices and prescription  
20 barrier methods. The corporation may not impose deductibles,  
21 coinsurance, copayments or other cost containment measures for  
22 contraceptive drugs that are greater than the deductibles, coinsurance,  
23 copayments or other cost containment measures for other drugs on the same  
24 level of the formulary or list.

25           2. If the contract provides coverage for outpatient health care  
26 services, the contract shall provide coverage for outpatient contraceptive  
27 services. For the purposes of this paragraph, "outpatient contraceptive  
28 services" means consultations, examinations, procedures and medical  
29 services provided on an outpatient basis and related to the use of  
30 approved United States food and drug administration prescription  
31 contraceptive methods to prevent unintended pregnancies.

32           3. This subsection does not apply to contracts issued to  
33 individuals on a nongroup basis.

34           Z. Notwithstanding subsection Y of this section, a religiously  
35 affiliated employer may require that the corporation provide a contract  
36 without coverage for specific items or services required under subsection  
37 Y of this section because providing or paying for coverage of the specific  
38 items or services is contrary to the religious beliefs of the religiously  
39 affiliated employer offering the plan. If a religiously affiliated  
40 employer objects to providing coverage for specific items or services  
41 required under subsection Y of this section, a written affidavit shall be  
42 filed with the corporation stating the objection. On receipt of the  
43 affidavit, the corporation shall issue to the religiously affiliated  
44 employer a contract that excludes coverage for specific items or services  
45 required under subsection Y of this section. The corporation shall retain

1 the affidavit for the duration of the contract and any renewals of the  
2 contract. This subsection shall not exclude coverage for prescription  
3 contraceptive methods ordered by a health care provider with prescriptive  
4 authority for medical indications other than for contraceptive,  
5 abortifacient, abortion or sterilization purposes. A religiously  
6 affiliated employer offering the plan may state religious beliefs in its  
7 affidavit and may require the subscriber to first pay for the prescription  
8 and then submit a claim to the hospital service corporation, medical  
9 service corporation or hospital, medical, dental and optometric service  
10 corporation along with evidence that the prescription is not for a purpose  
11 covered by the objection. A hospital service corporation, medical service  
12 corporation or hospital, medical, dental and optometric service  
13 corporation may charge an administrative fee for handling these claims.

14 AA. Subsection Z of this section does not authorize a religiously  
15 affiliated employer to obtain an employee's protected health information  
16 or to violate the health insurance portability and accountability act of  
17 1996 (P.L. 104-191; 110 Stat. 1936) or any federal regulations adopted  
18 pursuant to that act.

19 BB. Subsection Z of this section does not restrict or limit any  
20 protections against employment discrimination that are prescribed in  
21 federal or state law.

22 CC. For the purposes of:

23 1. This section:

24 (a) "Inherited metabolic disorder" means a disease caused by an  
25 inherited abnormality of body chemistry and includes a disease tested  
26 under the newborn screening program prescribed in section 36-694.

27 (b) "Medical foods" means modified low protein foods and metabolic  
28 formula.

29 (c) "Metabolic formula" means foods that are all of the following:

30 (i) Formulated to be consumed or administered enterally under the  
31 supervision of a physician who is licensed pursuant to title 32, chapter  
32 13 or 17.

33 (ii) Processed or formulated to be deficient in one or more of the  
34 nutrients present in typical foodstuffs.

35 (iii) Administered for the medical and nutritional management of a  
36 person who has limited capacity to metabolize foodstuffs or certain  
37 nutrients contained in the foodstuffs or who has other specific nutrient  
38 requirements as established by medical evaluation.

39 (iv) Essential to a person's optimal growth, health and metabolic  
40 homeostasis.

41 (d) "Modified low protein foods" means foods that are all of the  
42 following:

43 (i) Formulated to be consumed or administered enterally under the  
44 supervision of a physician who is licensed pursuant to title 32, chapter  
45 13 or 17.

1 (ii) Processed or formulated to contain less than one gram of  
2 protein per unit of serving, but does not include a natural food that is  
3 naturally low in protein.

4 (iii) Administered for the medical and nutritional management of a  
5 person who has limited capacity to metabolize foodstuffs or certain  
6 nutrients contained in the foodstuffs or who has other specific nutrient  
7 requirements as established by medical evaluation.

8 (iv) Essential to a person's optimal growth, health and metabolic  
9 homeostasis.

10 2. Subsection E of this section, "child", for purposes of initial  
11 coverage of an adopted child or a child placed for adoption but not for  
12 purposes of termination of coverage of such child, means a person who is  
13 under eighteen years of age.

14 3. Subsections Z and AA of this section, "religiously affiliated  
15 employer" means either:

16 (a) An entity for which all of the following apply:

17 (i) The entity primarily employs persons who share the religious  
18 tenets of the entity.

19 (ii) The entity primarily serves persons who share the religious  
20 tenets of the entity.

21 (iii) The entity is a nonprofit organization as described in  
22 section 6033(a)(3)(A)(i) or (iii) of the internal revenue code of 1986, as  
23 amended.

24 (b) An entity whose articles of incorporation clearly state that it  
25 is a religiously motivated organization and whose religious beliefs are  
26 central to the organization's operating principles.

27 Sec. 2. Applicability

28 Section 20-826, Arizona Revised Statutes, as amended by this act,  
29 applies to contracts that are entered into on or after the effective date  
30 of this act.