

REFERENCE TITLE: public monies; genetic sequencing; prohibition

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

HB 2584

Introduced by
Representative Biasiucci

AN ACT

AMENDING SECTIONS 38-651 AND 38-651.01, ARIZONA REVISED STATUTES; RELATING
TO COMPENSATION AND INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 38-651, Arizona Revised Statutes, is amended to
3 read:

4 38-651. Expenditure of monies for health and accident
5 insurance; definitions

6 A. The department of administration may ~~expend~~ SPEND public monies
7 appropriated for ~~such~~ THAT purpose to procure health and accident coverage
8 for full-time officers and employees of this state and its departments and
9 agencies. The department of administration may adopt rules that provide
10 that if an employee dies while the employee's surviving spouse's health
11 insurance is in force, the surviving spouse is entitled to ~~no~~ NOT more
12 than thirty-six months of extended coverage at one hundred two ~~per cent~~
13 PERCENT of the group rates by paying the premiums. Except as provided by
14 sections 38-1114 and 38-1141, ~~no~~ public monies may NOT be ~~expended~~ SPENT
15 to pay all or any part of the premium of health insurance continued in
16 force by the surviving spouse. The department of administration shall
17 seek a variety of plans, including indemnity health insurance, hospital
18 and medical service plans, dental plans and health maintenance
19 organizations. On a recommendation of the department of administration
20 and the review of the joint legislative budget committee, the department
21 of administration may self-insure for the purposes of this subsection. If
22 the department of administration self-insures, the department may contract
23 directly with preferred provider organizations, physician and hospital
24 networks, indemnity health insurers, hospital and medical service plans,
25 dental plans and health maintenance organizations. If the department
26 self-insures, the department shall provide that the self-insurance program
27 include all health coverage benefits that are mandated pursuant to title
28 20. The self-insurance program shall include provisions to provide for the
29 protection of the officers and employees, including grievance procedures
30 for claim or treatment denials, creditable coverage determinations,
31 dissatisfaction with care and access to care issues. The department of
32 administration by rule shall designate and adopt performance standards,
33 including cost competitiveness, utilization review issues, network
34 development and access, conversion and implementation, report timeliness,
35 quality outcomes and customer satisfaction for qualifying plans. The
36 qualifying plans for which the standards are adopted include indemnity
37 health insurance, hospital and medical service plans, closed panel medical
38 and dental plans and health maintenance organizations, and for eligibility
39 of officers and employees to participate in such plans. Any indemnity
40 health insurance or hospital and medical service plan designated as a
41 qualifying plan by the department of administration must be open for
42 enrollment to all permanent full-time state employees, except that any
43 plan established prior to June 6, 1977 may be continued as a separate
44 plan. Any closed panel medical or dental plan or health maintenance
45 organization designated as the qualifying plan by the department of

1 administration must be open for enrollment to all permanent full-time
 2 state employees residing within the geographic area or area to be served
 3 by the plan or organization. Officers and employees may select coverage
 4 under the available options.

5 B. The department of administration may ~~expend~~ SPEND public monies
 6 appropriated for ~~such~~ THAT purpose to procure health and accident coverage
 7 for the dependents of full-time officers and employees of this state and
 8 its departments and agencies. The department of administration shall seek
 9 a variety of plans, including indemnity health insurance, hospital and
 10 medical service plans, dental plans and health maintenance organizations.
 11 On a recommendation of the department of administration and the review of
 12 the joint legislative budget committee, the department of administration
 13 may self-insure for the purposes of this subsection. If the department of
 14 administration self-insures, the department may contract directly with
 15 preferred provider organizations, physician and hospital networks,
 16 indemnity health insurers, hospital and medical service plans, dental
 17 plans and health maintenance organizations. If the department
 18 self-insures, the department shall provide that the self-insurance program
 19 include all health coverage benefits that are mandated pursuant to
 20 title 20. The self-insurance program shall include provisions to provide
 21 for the protection of the officers and employees, including grievance
 22 procedures for claim or treatment denials, creditable coverage
 23 determinations, dissatisfaction with care and access to care issues. The
 24 department of administration by rule shall designate and adopt performance
 25 standards, including cost competitiveness, utilization review issues,
 26 network development and access, conversion and implementation, report
 27 timeliness, quality outcomes and customer satisfaction for qualifying
 28 plans. The qualifying plans for which the standards are adopted include
 29 indemnity health insurance, hospital and medical service plans, closed
 30 panel medical and dental plans and health maintenance organizations, and
 31 for eligibility of the dependents of officers and employees to participate
 32 in such plans. Any indemnity health insurance or hospital and medical
 33 service plan designated as a qualifying plan by the department of
 34 administration must be open for enrollment to all permanent full-time
 35 state employees, except that any plan established prior to June 6, 1977
 36 may be continued as a separate plan. Any closed panel medical or dental
 37 plan or health maintenance organization designated as a qualifying plan by
 38 the department of administration must be open for enrollment to all
 39 permanent full-time state employees residing within the geographic area or
 40 area to be served by the plan or organization. Officers and employees may
 41 select coverage under the available options.

42 C. The department of administration may designate the Arizona
 43 health care cost containment system established by title 36, chapter 29 as
 44 a qualifying plan for the provision of health and accident coverage to
 45 full-time state officers and employees and their dependents. The Arizona

1 health care cost containment system shall not be the exclusive qualifying
2 plan for health and accident coverage for state officers and employees
3 either on a statewide or regional basis.

4 D. Except as provided in section 38-652, public monies ~~expended~~
5 SPENT pursuant to this section each month shall not exceed:

6 1. ~~Five hundred dollars~~ \$500 multiplied by the number of officers
7 and employees who receive individual coverage.

8 2. ~~One thousand two hundred dollars~~ \$1,200 multiplied by the number
9 of married couples if both members of the couple are either officers or
10 employees and each receives individual coverage or family coverage.

11 3. ~~One thousand two hundred dollars~~ \$1,200 multiplied by the number
12 of officers or employees who receive family coverage if the spouses of the
13 officers or employees are not officers or employees.

14 E. Subsection D of this section:

15 1. Establishes a total maximum expenditure of public monies
16 pursuant to this section.

17 2. Does not establish a minimum or maximum expenditure for each
18 individual officer or employee.

19 F. In order to ensure that an officer or employee does not suffer a
20 financial penalty or receive a financial benefit based on the officer's or
21 employee's age, gender or health status, the department of administration
22 shall consider implementing the following:

23 1. Requests for proposals for health insurance that specify that
24 the carrier's proposed premiums for each plan be based on the expected
25 age, gender and health status of the entire pool of employees and officers
26 and their family members enrolled in all qualifying plans and not on the
27 age, gender or health status of the individuals expected to enroll in the
28 particular plan for which the premium is proposed.

29 2. Recommendations from a legislatively established study group on
30 risk adjustments relating to a system for reallocating premium revenues
31 among the contracting qualifying plans to the extent necessary to adjust
32 the revenues received by any carrier to reflect differences between the
33 average age, gender and health status of the enrollees in that carrier's
34 plan or plans and the average age, gender and health status of all
35 enrollees in all qualifying plans.

36 G. Each officer or employee shall certify on the initial
37 application for family coverage that the officer or employee is not
38 receiving more than the contribution for which eligible pursuant to
39 subsection D of this section. Each officer or employee shall also provide
40 the certification on any change of coverage or marital status.

41 H. If a qualifying health maintenance organization is not available
42 to an officer or employee within fifty miles of the officer's or
43 employee's residence and the officer or employee is enrolled in a
44 qualifying plan, the officer or employee shall be offered the opportunity
45 to enroll with a health maintenance organization when the option becomes

1 available. If a health maintenance organization is available within fifty
2 miles and it is determined by the department of administration that there
3 is an insufficient number of medical providers in the organization, the
4 department may provide for a change in enrollment from plans designated by
5 the director when additional medical providers join the organization.

6 I. Notwithstanding subsection H of this section, officers and
7 employees who enroll in a qualifying plan and reside outside the area of a
8 qualifying health maintenance organization shall be offered the option to
9 enroll with a qualified health maintenance organization offered through
10 their provider under the same premiums as if they lived within the area
11 boundaries of the qualified health maintenance organization, if:

12 1. All medical services are rendered and received at an office
13 designated by the qualifying health maintenance organization or at a
14 facility referred by the health maintenance organization.

15 2. All nonemergency or nonurgent travel, ambulatory and other
16 expenses from the residence area of the officer or employee to the
17 designated office of the qualifying health maintenance organization or the
18 facility referred by the health maintenance organization are the
19 responsibility of and at the expense of the officer or employee.

20 3. All emergency or urgent travel, ambulatory and other expenses
21 from the residence area of the officer or employee to the designated
22 office of the qualifying health maintenance organization or the facility
23 referred by the health maintenance organization are paid pursuant to any
24 agreement between the health maintenance organization and the officer or
25 employee living outside the area of the qualifying health maintenance
26 organization.

27 J. The department of administration shall allow any school district
28 in this state that meets the requirements of section 15-388, a charter
29 school in this state that meets the requirements of section 15-187.01 or a
30 city, town, county, community college district, special taxing district,
31 authority or public entity organized pursuant to the laws of this state
32 that meets the requirements of section 38-656 to participate in the health
33 and accident coverage prescribed in this section, except that
34 participation is only allowed in a health plan that is offered by the
35 department and that is subject to title 20, chapter 1, article 1. A
36 school district, a charter school, a city, a town, a county, a community
37 college district, a special taxing district, an authority or any public
38 entity organized pursuant to the laws of this state rather than this state
39 shall pay directly to the benefits provider the premium for its employees.

40 K. The department of administration shall determine the actual
41 administrative and operational costs associated with school districts,
42 charter schools, cities, towns, counties, community college districts,
43 special taxing districts, authorities and public entities organized
44 pursuant to the laws of this state participating in the state health and
45 accident insurance coverage. These costs shall be allocated to each

1 school district, charter school, city, town, county, community college
2 district, special taxing district, authority and public entity organized
3 pursuant to the laws of this state based on the total number of employees
4 participating in the coverage. This subsection only applies to a health
5 plan that is offered by the department and that is subject to title 20,
6 chapter 1, article 1.

7 L. Insurance providers contracting with this state shall separately
8 maintain records that delineate claims and other expenses attributable to
9 participation of a school district, charter school, city, town, county,
10 community college district, special taxing district, authority and public
11 entity organized pursuant to the laws of this state in the state health
12 and accident insurance coverage and, by November 1 of each year, shall
13 report to the department of administration the extent to which state costs
14 are impacted by participation of school districts, charter schools,
15 cities, towns, counties, community college districts, special taxing
16 districts, authorities and public entities organized pursuant to the laws
17 of this state in the state health and accident insurance coverage. By
18 December 1 of each year, the director of the department of administration
19 shall submit a report to the president of the senate and the speaker of
20 the house of representatives detailing the information provided to the
21 department by the insurance providers and including any recommendations
22 for possible legislative action.

23 M. Notwithstanding subsection J of this section, any school
24 district in this state that meets the requirements of section 15-388, a
25 charter school in this state that meets the requirements of section
26 15-187.01 or a city, town, county, community college district, special
27 taxing district, authority or public entity organized pursuant to the laws
28 of this state that meets the requirements of section 38-656 may apply to
29 the department of administration to participate in the self-insurance
30 program that is provided by this section pursuant to rules adopted by the
31 department. A participating entity shall reimburse the department for all
32 premiums and administrative or other insurance costs. The department
33 shall actuarially prescribe the annual premium for each participating
34 entity to reflect the actual cost of each participating entity.

35 N. Any person that submits a bid to provide health and accident
36 coverage pursuant to this section shall disclose any court or
37 administrative judgments or orders issued against that person within the
38 last ten years before the submittal.

39 O. PUBLIC MONIES MAY NOT BE SPENT TO PAY FOR GENETIC SEQUENCING
40 PROCEDURES THAT ARE PERFORMED WITH A DEVICE THAT IS PRODUCED BY ANY OF THE
41 FOLLOWING:

- 42 1. A COMPANY THAT IS DOMICILED IN A FOREIGN ADVERSARY.
- 43 2. A COMPANY THAT IS OWNED OR SUBSTANTIALLY CONTROLLED BY A COMPANY
44 THAT IS DOMICILED IN A FOREIGN ADVERSARY.

1 ~~0.~~ P. For the purposes of this section: ~~;~~

2 1. "COMPANY" MEANS A FOR-PROFIT SOLE PROPRIETORSHIP, ORGANIZATION,
3 ASSOCIATION, CORPORATION, PARTNERSHIP, JOINT VENTURE, LIMITED PARTNERSHIP,
4 LIMITED LIABILITY PARTNERSHIP, LIMITED LIABILITY COMPANY, INCLUDING A
5 WHOLLY OWNED SUBSIDIARY, MAJORITY OWNED SUBSIDIARY, PARENT COMPANY OR
6 AFFILIATE OF THE ENTITIES OR BUSINESS ASSOCIATIONS, OR A NONPROFIT
7 ORGANIZATION.

8 2. "Dependent" means a spouse under the laws of this state, a child
9 who is under twenty-six years of age or a child who ~~was disabled~~ HAD A
10 DISABILITY before reaching nineteen years of age, who continues to ~~be~~
11 ~~disabled~~ HAVE A DISABILITY under 42 United States Code section 1382c and
12 for whom the employee had custody before reaching nineteen years of age.

13 3. "DOMICILED" MEANS EITHER OF THE FOLLOWING:

14 (a) THE COUNTRY IN WHICH A COMPANY IS REGISTERED.

15 (b) THE LOCATION IN WHICH THE COMPANY'S AFFAIRS ARE PRIMARILY
16 COMPLETED OR WHERE A MAJORITY OF THE OWNERSHIP SHARES ARE HELD.

17 4. "FOREIGN ADVERSARY":

18 (a) MEANS THE PEOPLE'S REPUBLIC OF CHINA, RUSSIA, IRAN, NORTH
19 KOREA, CUBA, VENEZUELA OR SYRIA OR THE HONG KONG SPECIAL ADMINISTRATIVE
20 REGION.

21 (b) INCLUDES:

22 (i) A COUNTRY THAT IS DESIGNATED AS A FOREIGN ADVERSARY BY THE
23 FEDERAL GOVERNMENT.

24 (ii) ANY AGENT OR ENTITY UNDER SIGNIFICANT CONTROL OF A FOREIGN
25 ADVERSARY.

26 5. "GENETIC SEQUENCING" MEANS ANY METHOD TO DETERMINE THE IDENTITY
27 AND ORDER OF NUCLEOTIDE BASES IN THE HUMAN GENOME.

28 Sec. 2. Section 38-651.01, Arizona Revised Statutes, is amended to
29 read:

30 38-651.01. Group health and accident coverage for retired
31 public employees and elected officials and their
32 dependents; definitions

33 A. The department of administration, by rule, shall adopt standards
34 to establish group health and accident coverage for former employees who
35 worked for this state and who opt on retirement to enroll or continue
36 enrollment in the group health and accident coverage for active employees
37 working for this state, or with a disability, and receiving either income
38 from a retirement program of this state or long-term disability income
39 benefits pursuant to section 38-651.03 or chapter 5, article 2.1 of this
40 title and their dependents and to establish eligibility for retired state
41 employees or state employees with a disability to participate in the
42 coverage. The department of administration may adopt rules that provide
43 that if a retired insured or insured person with a disability dies before
44 an insured surviving dependent, the insured surviving dependent is
45 entitled to extended coverage at group rates if the insured surviving

1 dependent elects to continue in the coverage within six months of the
2 death of the retired insured or insured person with a disability and the
3 insured surviving dependent agrees to pay the cost of the premium for
4 group health and accident insurance. On notification of the death, the
5 department of administration shall immediately notify an insured surviving
6 dependent of the provisions of this section. The department of
7 administration may enter into agreements with former state employees with
8 a disability and their dependents who elect to obtain the coverage
9 provided by this section. The agreements may include provisions for the
10 payment of amounts sufficient to pay for the premium and administrative
11 expense of providing the coverage. The department of administration may
12 adopt rules that provide that on the death of a state employee who at the
13 time of death was eligible for normal retirement pursuant to section
14 38-757 under the Arizona state retirement system, the insured surviving
15 spouse and eligible dependent children are entitled to continue coverage
16 under group rates provided that the deceased insured state employee,
17 spouse and dependent children were insured at the time of the employee's
18 death. The insured surviving spouse shall be charged an amount sufficient
19 to pay the full premium for the coverage.

20 B. The department of administration, by rule, may adopt standards
21 to establish group health and accident coverage for former elected
22 officials of this state or its political subdivisions and their dependents
23 and to establish eligibility for former elected officials to participate
24 in the coverage. Qualifications for eligibility shall include that the
25 former elected official has at least five years of credited service in the
26 elected officials' retirement plan pursuant to chapter 5 of this title,
27 had been covered under a group health or group health and accident plan
28 while serving as an elected official and had been serving as an elected
29 official on or after January 1, 1983. The department of administration
30 may adopt rules that provide that on the death of an elected official or
31 insured former elected official, the insured surviving spouse is entitled
32 to coverage at group rates provided that the deceased insured former
33 elected official met or would have met the qualifications for eligibility
34 pursuant to this subsection or that the deceased elected official would
35 have met the qualifications for eligibility had the deceased not been in
36 office at the time of death. Except as provided in subsection J of this
37 section, the insured former elected official or the insured surviving
38 spouse shall be charged amounts that are sufficient to pay for the premium
39 and state administrative expense of providing coverage. Notwithstanding
40 subsection J of this section, the standards shall provide that all or any
41 portion of the former state employees or former elected officials or their
42 dependents shall be grouped with officers and employees of this state and
43 its departments and agencies or their dependents as necessary to obtain
44 health and accident coverage at favorable rates.

1 C. The Arizona state retirement system board may enter into
 2 agreements with state employee members of the system and plan who are
 3 retired or who have a disability, retired members of the elected
 4 officials' defined contribution retirement system established pursuant to
 5 chapter 5, article 3.1 of this title and retired participants of the
 6 public safety personnel defined contribution retirement plan established
 7 pursuant to chapter 5, article 4.1 of this title who elect to obtain the
 8 coverage provided pursuant to subsection A of this section. The
 9 agreements may include provision for the deduction from the retirement
 10 benefits of participants of a retirement program of this state who elect
 11 to obtain coverage of amounts sufficient to pay for the premium not
 12 covered under retirement benefits and state administrative expense of
 13 providing coverage.

14 D. Retired state employee members or state employee members with a
 15 disability of the public safety personnel retirement system, the public
 16 safety personnel defined contribution retirement plan established pursuant
 17 to chapter 5, article 4.1 of this title, the elected officials' retirement
 18 plan, the elected officials' defined contribution retirement system
 19 established pursuant to chapter 5, article 3.1 of this title, the
 20 corrections officer retirement plan or the optional retirement programs
 21 authorized pursuant to section 15-1628 who opt on retirement to enroll or
 22 continue enrollment in the group health and accident coverage for active
 23 employees working for this state and their dependents and who are
 24 receiving benefits from the public safety personnel retirement system, the
 25 public safety personnel defined contribution retirement plan established
 26 pursuant to chapter 5, article 4.1 of this title, the elected officials'
 27 retirement plan, the elected officials' defined contribution retirement
 28 system established pursuant to chapter 5, article 3.1 of this title, the
 29 corrections officer retirement plan or the optional retirement programs
 30 authorized pursuant to section 15-1628 may participate in group health and
 31 accident coverage provided pursuant to this section. The department of
 32 administration shall adopt rules that are necessary for the implementation
 33 of this subsection.

34 E. The board of trustees of the public safety personnel retirement
 35 system may enter into agreements with retired state employee members and
 36 their dependents who elect to obtain the coverage provided pursuant to
 37 this section. The agreements may include provision for the deduction from
 38 the retirement benefits of participants of a retirement program of this
 39 state who elect to obtain coverage of amounts sufficient to pay for the
 40 premium not covered under retirement benefits and state administrative
 41 expense of providing coverage.

42 F. The board of trustees of the public safety personnel retirement
 43 system may enter into agreements with retired judges and retired elected
 44 officials and their dependents who elect to obtain the coverage provided
 45 pursuant to this section. The agreements may include provision for the

1 deduction from the retirement benefits of participants of a retirement
2 program of this state who elect to obtain coverage of amounts sufficient
3 to pay for the premium not covered under retirement benefits and state
4 administrative expense of providing coverage.

5 G. The board of trustees of the public safety personnel retirement
6 system may contract with an insurance carrier and adopt standards to
7 establish a group health and accident insurance coverage program for
8 retired members of the public safety personnel retirement system, their
9 dependents and their spouses. Any members or spouses who elect to obtain
10 the group health and accident coverage provided under this subsection
11 shall agree to a deduction from their monthly retirement benefits of an
12 amount sufficient to pay for the premium not covered under retirement
13 benefits and the administrative expense of providing coverage.

14 H. A county board of supervisors may enter into agreements to
15 establish group health and accident coverage for retired county employees
16 or county employees with a disability and their dependents who elect to
17 obtain the coverage provided pursuant to section 11-263, subsection B.
18 The agreements may include provision for the deduction from the retirement
19 benefits of participants of a retirement program of this state who elect
20 to obtain the coverage of amounts sufficient to pay for the premium not
21 covered under retirement benefits and the administrative expense of
22 providing for the coverage.

23 I. Nonmedicare eligible retirees who live in this state, who enroll
24 in a qualifying plan under this section and who reside outside the area of
25 a qualifying health maintenance organization shall be offered the option
26 to enroll with a qualified health maintenance organization offered through
27 their provider under the same premiums as if they lived within the area
28 boundaries of the qualified health maintenance organization provided that:

29 1. All medical services are rendered and received at an office
30 designated by the qualifying health maintenance organization or at a
31 facility referred by the health maintenance organization.

32 2. All nonemergency or nonurgent travel, ambulatory and other
33 expenses from the residence area of the retiree to the designated office
34 of the qualifying health maintenance organization or the facility referred
35 by the health maintenance organization are the responsibility of and at
36 the expense of the retiree.

37 3. All emergency or urgent travel, ambulatory and other expenses
38 from the residence area of the retiree to the designated office of the
39 qualifying health maintenance organization or the facility referred by the
40 health maintenance organization shall be paid pursuant to any agreement
41 between the health maintenance organization and the retiree living outside
42 the area of the qualifying health maintenance organization.

1 J. Public ~~funds~~ MONIES shall not be ~~expended~~ SPENT to pay all or
2 any part of the premium of insurance pursuant to this section except for
3 monies authorized to be paid for any insured from the retirement plan from
4 which the insured is receiving benefits.

5 K. A retired member of the elected officials' defined contribution
6 retirement system established pursuant to chapter 5, article 3.1 of this
7 title may elect to obtain the coverage provided pursuant to subsection A
8 of this section, but shall pay the premium for the coverage selected and
9 is not eligible for benefits pursuant to section 38-783 or 38-817.

10 L. A retired participant of the public safety personnel defined
11 contribution retirement plan established pursuant to chapter 5, article
12 4.1 of this title may elect to obtain the coverage provided pursuant to
13 subsection A of this section, but shall pay the premium for the coverage
14 selected. A retired participant ~~that~~ WHO makes an election pursuant to
15 section 38-869 may be eligible for group health benefits as specified in
16 section 38-869.

17 M. PUBLIC MONIES MAY NOT BE SPENT TO PAY FOR GENETIC SEQUENCING
18 PROCEDURES THAT ARE PERFORMED WITH A DEVICE THAT IS PRODUCED BY ANY OF THE
19 FOLLOWING:

20 1. A COMPANY THAT IS DOMICILED IN A FOREIGN ADVERSARY.

21 2. A COMPANY THAT IS OWNED OR SUBSTANTIALLY CONTROLLED BY A COMPANY
22 THAT IS DOMICILED IN A FOREIGN ADVERSARY.

23 N. FOR THE PURPOSES OF THIS SECTION:

24 1. "COMPANY" MEANS A FOR-PROFIT SOLE PROPRIETORSHIP, ORGANIZATION,
25 ASSOCIATION, CORPORATION, PARTNERSHIP, JOINT VENTURE, LIMITED PARTNERSHIP,
26 LIMITED LIABILITY PARTNERSHIP, LIMITED LIABILITY COMPANY, INCLUDING A
27 WHOLLY OWNED SUBSIDIARY, MAJORITY OWNED SUBSIDIARY, PARENT COMPANY OR
28 AFFILIATE OF THE ENTITIES OR BUSINESS ASSOCIATIONS OR A NONPROFIT
29 ORGANIZATION.

30 2. "DOMICILED" MEANS EITHER OF THE FOLLOWING:

31 (a) THE COUNTRY IN WHICH A COMPANY IS REGISTERED.

32 (b) THE LOCATION IN WHICH THE COMPANY'S AFFAIRS ARE PRIMARILY
33 COMPLETED OR WHERE A MAJORITY OF THE OWNERSHIP SHARES ARE HELD.

34 3. "FOREIGN ADVERSARY":

35 (a) MEANS THE PEOPLE'S REPUBLIC OF CHINA, RUSSIA, IRAN, NORTH
36 KOREA, CUBA, VENEZUELA OR SYRIA OR THE HONG KONG SPECIAL ADMINISTRATIVE
37 REGION.

38 (b) INCLUDES:

39 (i) A COUNTRY THAT IS DESIGNATED AS A FOREIGN ADVERSARY BY THE
40 FEDERAL GOVERNMENT.

41 (ii) ANY AGENT OR ENTITY UNDER SIGNIFICANT CONTROL OF A FOREIGN
42 ADVERSARY.

43 4. "GENETIC SEQUENCING" MEANS ANY METHOD TO DETERMINE THE IDENTITY
44 AND ORDER OF NUCLEOTIDE BASES IN THE HUMAN GENOME.