

REFERENCE TITLE: AHCCCS; antipsychotic drugs; authorization

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SB 1672

Introduced by
Senator Kavanagh

AN ACT

AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 36-2907.17; RELATING TO THE ARIZONA HEALTH CARE COST
CONTAINMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 36, chapter 29, article 1, Arizona Revised
3 Statutes, is amended by adding section 36-2907.17, to read:

4 36-2907.17. Prescription antipsychotic drugs; coverage;
5 definitions

6 A. BEFORE PROVIDING COVERAGE OF A PRESCRIPTION ANTIPSYCHOTIC DRUG
7 THAT IS PRESCRIBED TO A MEMBER WHO IS AT LEAST EIGHTEEN YEARS OF AGE AND
8 WHO HAS A SERIOUS MENTAL ILLNESS DETERMINATION FOR WHICH THE PRESCRIPTION
9 ANTIPSYCHOTIC DRUG IS APPROVED BY THE UNITED STATES FOOD AND DRUG
10 ADMINISTRATION AS DESCRIBED ON THE PRESCRIPTION ANTIPSYCHOTIC DRUG'S
11 APPROVED LABELING, THE ADMINISTRATION AND ITS CONTRACTORS:

12 1. EXCEPT FOR THE PROCESS DESCRIBED IN PARAGRAPH 2 OF THIS
13 SUBSECTION, MAY NOT IMPOSE A PRIOR AUTHORIZATION REQUIREMENT OR OTHER
14 PROCESS THAT CONDITIONS, DELAYS OR DENIES THE DELIVERY OF THE PRESCRIPTION
15 ANTIPSYCHOTIC DRUG TO THE MEMBER BY APPLYING PREDETERMINED CRITERIA BY THE
16 ADMINISTRATION OR ITS CONTRACTOR FOR COVERED PRESCRIPTION DRUGS.

17 2. MAY IMPOSE A PROCESS, INCLUDING A STEP THERAPY PROTOCOL,
18 REQUIRING THAT THE MEMBER SHOW A FAILURE TO SUCCESSFULLY RESPOND TO NOT
19 MORE THAN TWO DISTINCT PRESCRIPTION ANTIPSYCHOTIC DRUGS.

20 B. THE ADMINISTRATION AND ITS CONTRACTORS SHALL GRANT A MEMBER OR
21 THE MEMBER'S HEALTH CARE PROVIDER THE ABILITY TO BYPASS A STEP THERAPY
22 PROTOCOL BY PROVIDING A HISTORY OF THE MEMBER'S FAILURE TO SUCCESSFULLY
23 RESPOND TO TWO DISTINCT PRESCRIPTION ANTIPSYCHOTIC DRUGS ON THE MEMBER'S
24 CURRENT OR PREVIOUS HEALTH BENEFIT PLAN.

25 C. ANY STEP THERAPY PROTOCOL OR OTHER PROCESS ADMINISTERED IN
26 ACCORDANCE WITH SUBSECTION A, PARAGRAPH 2 OF THIS SECTION MUST BOTH:

27 1. BE ADJUDICATED ELECTRONICALLY AND IN REAL TIME.

28 2. CONSIDER A MEMBER TO HAVE TRIED TWO PRESCRIPTION ANTIPSYCHOTIC
29 DRUGS IF THE MEMBER HAS TWO PAID CLAIMS FOR TWO DISTINCT PREFERRED
30 ANTIPSYCHOTIC DRUGS.

31 D. THIS SECTION APPLIES ONLY TO A PRESCRIPTION ANTIPSYCHOTIC DRUG
32 WHOSE USE IS SUPPORTED BY PEER-REVIEWED, EVIDENCE-BASED LITERATURE.

33 E. THIS SECTION APPLIES TO PRESCRIPTION DRUG COVERAGE THAT IS PAID
34 EITHER ON A FEE-FOR-SERVICE BASIS OR THROUGH A PREPAID CAPITATED HEALTH
35 SERVICES CONTRACT UNDER THE SYSTEM.

36 F. THIS SECTION DOES NOT:

37 1. PROHIBIT THE ADMINISTRATION FROM CONTRACTING WITH A MANAGED CARE
38 ORGANIZATION FOR PHARMACEUTICAL SERVICES OFFERED UNDER THE SYSTEM PURSUANT
39 TO SECTION 36-2904 IF THE CONTRACT COMPLIES WITH THIS SECTION.

40 2. PROHIBIT OR DISCOURAGE THE USE OF A GENERIC DRUG.

41 3. PREVENT THE ADMINISTRATION FROM PERFORMING A DRUG UTILIZATION
42 REVIEW THAT IS NECESSARY FOR PATIENT SAFETY OR TO ENSURE THAT THE
43 PRESCRIBED USE IS FOR A MEDICALLY ACCEPTED INDICATION, AS REQUIRED BY
44 SECTION 1927 OF THE SOCIAL SECURITY ACT.

1 G. FOR THE PURPOSES OF THIS SECTION:
2 1. "FAILURE TO SUCCESSFULLY RESPOND" MEANS A DETERMINATION, BASED
3 ON CLINICALLY APPROPRIATE GUIDELINES, THAT A PATIENT HAS FAILED ON A
4 MEDICATION, INCLUDING A LACK OF EFFICACY DURING A SIX-WEEK MEDICATION
5 TRIAL, AN ALLERGIC REACTION, INTOLERABLE SIDE EFFECTS, SIGNIFICANT
6 DRUG-TO-DRUG INTERACTIONS OR A KNOWN INTERACTING GENETIC POLYMORPHISM THAT
7 PREVENTS SAFE PREFERRED MEDICATION DOSING AS ATTESTED TO BY THE PATIENT'S
8 HEALTH CARE PROVIDER.
9 2. "HEALTH BENEFIT PLAN" MEANS A POLICY, CONTRACT, CERTIFICATE OR
10 AGREEMENT ENTERED INTO, OFFERED BY OR ISSUED BY AN INSURER OR BY THE
11 ADMINISTRATION TO PROVIDE, DELIVER, ARRANGE FOR, PAY FOR OR REIMBURSE ANY
12 COSTS OF HEALTH CARE SERVICES.
13 3. "HEALTH CARE PROVIDER" MEANS A HEALTH CARE PROVIDER WHO IS
14 LICENSED PURSUANT TO TITLE 32 AND WHO HAS PRESCRIPTION AUTHORITY PURSUANT
15 TO TITLE 32.
16 4. "INSURER" MEANS ANY PERSON THAT IS ENGAGED IN MAKING ANY
17 HOSPITAL, HEALTH OR MEDICAL EXPENSE INSURANCE POLICY, HOSPITAL OR MEDICAL
18 SERVICE CONTRACT, EMPLOYEE WELFARE BENEFIT PLAN, CONTRACT OR AGREEMENT
19 WITH A HEALTH MAINTENANCE ORGANIZATION OR A PREFERRED PROVIDER
20 ORGANIZATION OR HEALTH AND ACCIDENT INSURANCE POLICY OR ANY OTHER
21 INSURANCE CONTRACT OF THIS TYPE, INCLUDING A GROUP INSURANCE PLAN.
22 5. "PRESCRIPTION DRUG" MEANS ANY PRESCRIPTION MEDICATION AS DEFINED
23 IN SECTION 32-1901.
24 Sec. 2. Effective date
25 This act is effective from and after December 31, 2026.