

REFERENCE TITLE: health insurance; requirements; essential benefits

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

SB 1771

Introduced by
Senator Gonzales

AN ACT

AMENDING TITLE 20, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 20-128; AMENDING SECTION 20-1384, ARIZONA REVISED STATUTES;
RELATING TO HEALTH CARE 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 1, article 1, Arizona Revised
3 Statutes, is amended by adding section 20-128, to read:

4 20-128. Health care insurers; requirements; prohibitions;
5 definitions

6 A. NOTWITHSTANDING ANY OTHER LAW, EVERY HEALTH CARE INSURER THAT
7 OFFERS AN INDIVIDUAL HEALTH CARE PLAN, SHORT-TERM LIMITED DURATION
8 INSURANCE OR A SMALL EMPLOYER GROUP HEALTH CARE PLAN IN THIS STATE:

9 1. SHALL:

10 (a) ENSURE THAT ALL PRODUCTS SOLD COVER ESSENTIAL HEALTH CARE
11 BENEFITS.

12 (b) LIMIT COST SHARING FOR THE COVERAGE OF ESSENTIAL HEALTH CARE
13 BENEFITS, INCLUDING DEDUCTIBLES, COINSURANCE AND COPAYMENTS.

14 (c) PROVIDE COVERAGE WITHOUT COST SHARING FOR PREVENTIVE HEALTH
15 CARE BENEFITS RECOMMENDED BY THE UNITED STATES PREVENTIVE SERVICES TASK
16 FORCE, THE ADVISORY COMMITTEE ON IMMUNIZATION PRACTICES OF THE UNITED
17 STATES CENTERS FOR DISEASE CONTROL AND PREVENTION AND THE HEALTH RESOURCES
18 AND SERVICES ADMINISTRATION OF THE UNITED STATES DEPARTMENT OF HEALTH AND
19 HUMAN SERVICES.

20 (d) IF THE HEALTH CARE INSURER OFFERS DEPENDENT COVERAGE, CONTINUE
21 TO OFFER DEPENDENT COVERAGE TO ADULT CHILDREN UNTIL THE END OF THE
22 CALENDAR YEAR IN WHICH THE ADULT CHILD ATTAINS TWENTY-SIX YEARS OF AGE.

23 2. MAY NOT:

24 (a) DECLINE TO OFFER COVERAGE TO, OR DENY ENROLLMENT IN, A HEALTH
25 CARE PLAN FOR AN INDIVIDUAL OR EMPLOYEE OF A SMALL EMPLOYER BASED SOLELY
26 ON THE INDIVIDUAL'S OR EMPLOYEE'S HEALTH STATUS.

27 (b) IMPOSE ANY PREEXISTING CONDITION EXCLUSION OR LIMITATION IN ANY
28 HEALTH CARE PLAN.

29 (c) CANCEL OR REFUSE TO RENEW A HEALTH CARE PLAN BASED SOLELY ON AN
30 INDIVIDUAL'S OR EMPLOYEE'S PREEXISTING CONDITION OR HEALTH STATUS.

31 (d) USE AN INDIVIDUAL'S OR SMALL EMPLOYER GROUP'S HEALTH STATUS TO
32 ESTABLISH PREMIUMS.

33 (e) REFUSE TO COVER SERVICES THAT ARE NECESSARY TO TREAT A
34 PREEXISTING CONDITION.

35 (f) IMPOSE ANNUAL OR LIFETIME DOLLAR LIMITS ON ESSENTIAL HEALTH
36 CARE BENEFITS.

37 (g) APPLY ANY ADDITIONAL DEDUCTIBLE, COPAYMENT OR COINSURANCE BASED
38 SOLELY ON AN INDIVIDUAL'S OR EMPLOYEE'S PREEXISTING CONDITION.

39 (h) UNFAIRLY DISCRIMINATE AGAINST AN INDIVIDUAL OR EMPLOYEE IN
40 ESTABLISHING OR ADJUSTING PREMIUM RATES BASED ON THE INDIVIDUAL'S OR
41 EMPLOYEE'S AGE OR SEX.

42 B. FOR THE PURPOSES OF THIS SECTION:

43 1. "ESSENTIAL HEALTH CARE BENEFITS" MEANS THE ITEMS AND SERVICES
44 COVERED WITHIN THE FOLLOWING TEN GENERAL CATEGORIES:

- 1 (a) AMBULATORY SERVICES.
- 2 (b) EMERGENCY SERVICES.
- 3 (c) HOSPITALIZATION.
- 4 (d) MATERNITY AND NEWBORN CARE.
- 5 (e) MENTAL HEALTH AND SUBSTANCE ABUSE DISORDER SERVICES.
- 6 (f) PRESCRIPTION DRUGS.
- 7 (g) REHABILITATIVE AND HABILITATIVE SERVICES AND DEVICES.
- 8 (h) LABORATORY SERVICES.
- 9 (i) PREVENTIVE AND WELLNESS SERVICES.
- 10 (j) PEDIATRIC SERVICES, INCLUDING ORAL AND VISION CARE.

11 2. "HEALTH CARE INSURER" MEANS A DISABILITY INSURER, GROUP
 12 DISABILITY INSURER, BLANKET DISABILITY INSURER, HEALTH CARE SERVICES
 13 ORGANIZATION, HOSPITAL SERVICE CORPORATION, MEDICAL SERVICE CORPORATION OR
 14 HOSPITAL AND MEDICAL SERVICE CORPORATION.

15 3. "HEALTH CARE PLAN" MEANS A POLICY, EVIDENCE OF COVERAGE OR
 16 CONTRACT THAT IS ISSUED BY A HEALTH CARE INSURER.

17 4. "PREEXISTING CONDITION EXCLUSION OR LIMITATION" MEANS AN
 18 EXCLUSION OR LIMITATION OF BENEFITS, INCLUDING A DENIAL OF COVERAGE, BASED
 19 ON THE FACT THAT THE CONDITION WAS PRESENT BEFORE THE DATE OF ENROLLMENT,
 20 REGARDLESS OF WHETHER ANY MEDICAL ADVICE, DIAGNOSIS, CARE OR TREATMENT WAS
 21 RECOMMENDED OR RECEIVED BEFORE THAT DATE.

22 5. "SHORT-TERM LIMITED DURATION INSURANCE" HAS THE SAME MEANING
 23 PRESCRIBED IN SECTION 20-1384.

24 6. "SMALL EMPLOYER GROUP" MEANS AN EMPLOYER WHO EMPLOYS AT LEAST
 25 TWO BUT NOT MORE THAN FIFTY ELIGIBLE EMPLOYEES ON A TYPICAL BUSINESS DAY
 26 DURING ANY ONE CALENDAR YEAR.

27 Sec. 2. Section 20-1384, Arizona Revised Statutes, is amended to
 28 read:

29 20-1384. Short-term limited duration insurance; notice;
 30 definitions

31 A. All policies or certificates issued, delivered or renewed in
 32 this state for short-term limited duration insurance shall display on the
 33 policy's fact page and in any application materials provided in connection
 34 with enrollment in such coverage the following federal disclosure in at
 35 least fourteen-point type:

36 Notice

37 This coverage is not required to comply with certain federal
 38 market requirements for health insurance, principally those
 39 contained in the affordable care act. Be sure to check your
 40 policy carefully to make sure you are aware of any exclusions
 41 or limitations regarding coverage of preexisting conditions or
 42 health benefits (such as hospitalization, emergency services,
 43 maternity care, preventive care, prescription drugs and mental
 44 health and substance use disorder services). Your policy
 45 might also have lifetime or annual dollar limits on health

1 benefits, or both. If this coverage expires or you lose
2 eligibility for this coverage, you might have to wait until an
3 open enrollment period to get other health insurance coverage.

4 B. A health care insurer shall provide notice to the insured before
5 expiration that the policy needs to be renewed or is expiring.

6 C. For the purposes of this section:

7 1. "Health care insurer" has the same meaning prescribed in section
8 20-1379.

9 2. "Short-term limited duration insurance" means health insurance
10 coverage that is offered by a health care insurer, ~~that is not subject to~~
11 ~~state health coverage mandates in this title,~~ that has an expiration date
12 specified in the contract that is less than twelve months after the
13 original effective date of the contract and, taking into account renewals
14 or extensions, that has a duration of not longer than thirty-six months.