

REFERENCE TITLE: insurance; provider rating; notice

State of Arizona  
Senate  
Fifty-sixth Legislature  
First Regular Session  
2023

## **SB 1458**

Introduced by  
Senator Shope

AN ACT

AMENDING TITLE 20, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY  
ADDING SECTION 20-127; RELATING TO HEALTH INSURERS.

(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 20-127, to read:

4 20-127. Health care provider rating; health care insurers;  
5 reconsideration process; notice; definition

6 A. A HEALTH CARE INSURER MAY NOT RANK OR CLASSIFY HEALTH CARE  
7 PROVIDERS BASED ON PERFORMANCE OR PUBLISH PROVIDER-SPECIFIC INFORMATION  
8 THAT INCLUDES RANKING, TIERS, RATINGS OR OTHER COMPARISONS OF A HEALTH  
9 CARE PROVIDER'S PERFORMANCE AGAINST STANDARDS, MEASURES OR OTHER  
10 PROVIDERS, UNLESS ALL OF THE FOLLOWING APPLY:

11 1. THE STANDARDS CONFORM TO NATIONALLY RECOGNIZED STANDARDS AND  
12 GUIDELINES AS PRESCRIBED BY THE DEPARTMENT.

13 2. THE STANDARDS AND MEASURES ARE DISCLOSED TO EACH AFFECTED HEALTH  
14 CARE PROVIDER BEFORE ANY EVALUATION PERIOD BEGINS.

15 3. BEFORE ANY PUBLICATION OR OTHER PUBLIC DISSEMINATION, EACH  
16 AFFECTED HEALTH CARE PROVIDER IS AFFORDED AN OPPORTUNITY TO DISPUTE THE  
17 RANKING OR CLASSIFICATION THROUGH A PROCESS THAT, AT A MINIMUM, INCLUDES A  
18 FAIR AND IMPARTIAL REVIEW AND RECONSIDERATION PROCESS THAT CONFORMS TO THE  
19 FOLLOWING:

20 (a) A HEALTH CARE INSURER PROVIDES AT LEAST FORTY-FIVE DAYS WRITTEN  
21 NOTICE TO THE HEALTH CARE PROVIDER OF A PROPOSED RANKING, TIERING, RATING  
22 OR OTHER COMPARISON, INCLUDING THE METHODOLOGIES, DATA AND OTHER  
23 INFORMATION USED TO MAKE ITS RANKING, TIERING, RATING OR COMPARISON  
24 DECISION.

25 (b) WITHIN THIRTY DAYS AFTER RECEIVING THE NOTICE PRESCRIBED BY  
26 SUBDIVISION (a) OF THIS PARAGRAPH, A HEALTH CARE PROVIDER MAY REQUEST  
27 RECONSIDERATION WITH THE HEALTH CARE INSURER. AT THE HEALTH CARE  
28 PROVIDER'S OPTION, THE RECONSIDERATION PROCEEDING MAY BE HELD BY  
29 TELECONFERENCE OR IN-PERSON AT A DAY AND TIME AGREED ON BY THE HEALTH CARE  
30 PROVIDER AND THE HEALTH CARE INSURER.

31 (c) AT THE RECONSIDERATION PROCEEDING, THE HEALTH CARE PROVIDER  
32 MAY:

33 (i) PARTICIPATE IN AND PROVIDE INFORMATION.

34 (ii) HAVE A REPRESENTATIVE PARTICIPATE IN ADDITION TO OR ON BEHALF  
35 OF THE HEALTH CARE PROVIDER.

36 (iii) SUBMIT DOCUMENTATION AND WRITTEN STATEMENTS.

37 (d) A HEALTH CARE INSURER SHALL NOTIFY THE HEALTH CARE PROVIDER IN  
38 WRITING OF THE RECONSIDERATION DECISION BEFORE PUBLISHING OR DISSEMINATING  
39 ANY RANKING, TIERING, RATING OR COMPARISON. THE RECONSIDERATION DECISION  
40 SHALL INCLUDE SPECIFIC REASONS AND FACTS AS TO HOW THE DECISION WAS MADE.

1           B. FOR THE PURPOSES OF THIS SECTION, "HEALTH CARE INSURER" MEANS A  
2 HOSPITAL SERVICE CORPORATION OR MEDICAL SERVICE CORPORATION PURSUANT TO  
3 CHAPTER 4, ARTICLE 3 OF THIS TITLE, HEALTH CARE SERVICES ORGANIZATION  
4 PURSUANT TO CHAPTER 4, ARTICLE 9 OF THIS TITLE, DISABILITY INSURER  
5 PURSUANT TO CHAPTER 6, ARTICLE 4 OF THIS TITLE OR GROUP OR BLANKET  
6 DISABILITY INSURER PURSUANT TO CHAPTER 6, ARTICLE 5 OF THIS TITLE THAT  
7 OFFER, ISSUES OR RENEWS A CONTRACT, EVIDENCE OF COVERAGE OR POLICY  
8 COVERING HEALTH CARE SERVICES.