REFERENCE TITLE: contraception; cost sharing prohibition

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HB 2841

Introduced by
Representatives Austin: Aguilar, Blattman, Contreras L, Contreras P, De Los Santos, Gutierrez, Hernandez C, Hernandez M, Ortiz, Peshlakai, Quiñonez, Schwiebert, Seaman, Stahl Hamilton, Terech, Tsosie, Villegas

AN ACT

AMENDING SECTIONS 20-826 AND 20-1057.08, ARIZONA REVISED STATUTES; AMENDING TITLE 20, CHAPTER 6, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-1376.11; AMENDING SECTIONS 20-1402 AND 20-1404, ARIZONA REVISED STATUTES; RELATING TO HEALTH INSURANCE.

(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.
31 E. Any contract, except accidental death and dismemberment, applied
32 for that provides family coverage, as to such coverage of family members,
33 shall also provide that the benefits applicable for children shall be
34 payable with respect to a newly born child of the insured from the instant
35 of such child's birth, to a child adopted by the insured, regardless of
36 the age at which the child was adopted, and to a child who has been placed
37 for adoption with the insured and for whom the application and approval
38 procedures for adoption pursuant to section 8-105 or 8-108 have been
39 completed to the same extent that such coverage applies to other members
40 of the family. The coverage for newly born or adopted children or
41 children placed for adoption shall include coverage of injury or sickness,
42 including necessary care and treatment of medically diagnosed congenital
43 defects and birth abnormalities. If payment of a specific premium is
44 required to provide coverage for a child, the contract may require that
45 notification of birth, adoption or adoption placement of the child and

payment of the required premium must be furnished to the insurer within thirty-one days after the date of birth, adoption or adoption placement in order to have the coverage continue beyond the thirty-one day period.

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

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

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

I. A contract that provides coverage for surgical services for a mastectomy shall also provide coverage for preventive mammography screening and diagnostic imaging performed on dedicated equipment for diagnostic purposes on referral by a patient's physician, subject to all of the terms and conditions of the policy, including:

1. A mammogram.

2. Digital breast tomosynthesis, magnetic resonance imaging, ultrasound or other modality and at such age and intervals as recommended by the national comprehensive cancer network. This includes patients at risk for breast cancer who have a family history with one or more first or

1 second degree relatives with breast cancer, prior diagnosis of breast
2 cancer, positive testing for hereditary gene mutations or heterogeneously
3 or dense breast tissue based on the breast imaging reporting and data
4 system of the American college of radiology.
5 J. Any contract that is issued to the insured and that provides
6 coverage for maternity benefits shall also provide that the maternity
7 benefits apply to the costs of the birth of any child legally adopted by
8 the insured if all of the following are true:
9 1. The child is adopted within one year of birth.
10 2. The insured is legally obligated to pay the costs of birth.
11 3. All preexisting conditions and other limitations have been met
12 by the insured.
13 4. The insured has notified the insurer of the insured's
14 acceptability to adopt children pursuant to section 8-105, within sixty
15 days after such approval or within sixty days after a change in insurance
16 policies, plans or companies.
17 K. The coverage prescribed by subsection J of this section is
18 excess to any other coverage the natural mother may have for maternity
19 benefits except coverage made available to persons pursuant to title 36,
20 chapter 29. If such other coverage exists, the agency, attorney or
21 individual arranging the adoption shall make arrangements for the
22 insurance to pay those costs that may be covered under that policy and
23 shall advise the adopting parent in writing of the existence and extent of
24 the coverage without disclosing any confidential information such as the
25 identity of the natural parent. The insured adopting parents shall notify
26 their insurer of the existence and extent of the other coverage.
27 L. The director may disapprove any contract if the benefits
28 provided in the form of such contract are unreasonable in relation to the
29 premium charged.
30 M. The director shall adopt emergency rules applicable to persons
31 who are leaving active service in the armed forces of the United States
32 and returning to civilian status including:
33 1. Conditions of eligibility.
34 2. Coverage of dependents.
35 3. Preexisting conditions.
36 4. Termination of insurance.
37 5. Probationary periods.
38 6. Limitations.
39 7. Exceptions.
40 8. Reductions.
41 9. Elimination periods.
42 10. Requirements for replacement.
43 11. Any other condition of subscription contracts.
44 N. Any contract that provides maternity benefits shall not restrict
45 benefits for any hospital length of stay in connection with childbirth for

the mother or the newborn child to less than forty-eight hours following a normal vaginal delivery or ninety-six hours following a cesarean section. The contract shall not require the provider to obtain authorization from the corporation for prescribing the minimum length of stay required by this subsection. The contract may provide that an attending provider in consultation with the mother may discharge the mother or the newborn child before the expiration of the minimum length of stay required by this subsection. The corporation shall not:

1. Deny the mother or the newborn child eligibility or continued eligibility to enroll or to renew coverage under the terms of the contract solely for the purpose of avoiding the requirements of this subsection.

2. Provide monetary payments or rebates to mothers to encourage those mothers to accept less than the minimum protections available pursuant to this subsection.

3. Penalize or otherwise reduce or limit the reimbursement of an attending provider because that provider provided care to any insured under the contract in accordance with this subsection.

4. Provide monetary or other incentives to an attending provider to induce that provider to provide care to an insured under the contract in a manner that is inconsistent with this subsection.

5. Except as described in subsection O of this section, restrict benefits for any portion of a period within the minimum length of stay in a manner that is less favorable than the benefits provided for any preceding portion of that stay.

O. Subsection N of this section does not:

1. Require a mother to give birth in a hospital or to stay in the hospital for a fixed period of time following the birth of the child.

2. Prevent a corporation from imposing deductibles, coinsurance or other cost sharing in relation to benefits for hospital lengths of stay in connection with childbirth for a mother or a newborn child under the contract, except that any coinsurance or other cost sharing for any portion of a period within a hospital length of stay required pursuant to subsection N of this section shall not be greater than the coinsurance or cost sharing for any preceding portion of that stay.

3. Prevent a corporation from negotiating the level and type of reimbursement with a provider for care provided in accordance with subsection N of this section.

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

1. Blood glucose monitors.

2. Blood glucose monitors for the legally blind.

3. Test strips for glucose monitors and visual reading and urine testing strips.

4. Insulin preparations and glucagon.

5. Insulin cartridges.
6. Drawing up devices and monitors for the visually impaired.
7. Injection aids.
8. Insulin cartridges for the legally blind.
9. Syringes and lancets, including automatic lancing devices.
10. Prescribed oral agents for controlling blood sugar that are included on the plan formulary.
11. To the extent coverage is required under medicare, podiatric appliances for prevention of complications associated with diabetes.
12. Any other device, medication, equipment or supply for which coverage is required under medicare from and after January 1, 1999. The coverage required in this paragraph is effective six months after the coverage is required under medicare.

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

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

1. Require coverage of any prescription drug used in the treatment of a type of cancer if the United States food and drug administration has determined that the prescription drug is contraindicated for that type of cancer.
2. Require coverage for any experimental prescription drug that is not approved for any indication by the United States food and drug administration.
3. Alter any law with regard to provisions that limit the coverage of prescription drugs that have not been approved by the United States food and drug administration.
4. Notwithstanding section 20-841.05, require reimbursement or coverage for any prescription drug that is not included in the drug formulary or list of covered prescription drugs specified in the contract.

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

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

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

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

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

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

(c) Thomson Micromedex compendium DrugDex.

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

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

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

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

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

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

T. A corporation shall not issue or deliver any advertising matter or sales material to any person in this state until the corporation files the advertising matter or sales material with the director. This subsection does not require a corporation to have the prior approval of the director to issue or deliver the advertising matter or sales material. If the director finds that the advertising matter or sales material, in whole or in part, is false, deceptive or misleading, the director may issue an order disapproving the advertising matter or sales material, directing the corporation to cease and desist from issuing, circulating,

1 displaying or using the advertising matter or sales material within a
2 period of time specified by the director but not less than ten days and
3 imposing any penalties prescribed in this title. At least five days
4 before issuing an order pursuant to this subsection, the director shall
5 provide the corporation with a written notice of the basis of the order to
6 provide the corporation with an opportunity to cure the alleged deficiency
7 in the advertising matter or sales material within a single five-day
8 period for the particular advertising matter or sales material at issue.
9 The corporation may appeal the director's order pursuant to title 41,
10 chapter 6, article 10. Except as otherwise provided in this subsection, a
11 corporation may obtain a stay of the effectiveness of the order as
12 prescribed in section 20-162. If the director certifies in the order and
13 provides a detailed explanation of the reasons in support of the
14 certification that continued use of the advertising matter or sales
15 material poses a threat to the health, safety or welfare of the public,
16 the order may be entered immediately without opportunity for cure and the
17 effectiveness of the order is not stayed pending the hearing on the notice
18 of appeal but the hearing shall be promptly instituted and determined.
19 U. Any contract that is offered by a hospital service corporation
20 or medical service corporation and that contains a prescription drug
21 benefit shall provide coverage of medical foods to treat inherited
22 metabolic disorders as provided by this section.
23 V. The metabolic disorders triggering medical foods coverage under
24 this section shall:
25 1. Be part of the newborn screening program prescribed in section
26 36-694.
27 2. Involve amino acid, carbohydrate or fat metabolism.
28 3. Have medically standard methods of diagnosis, treatment and
29 monitoring, including quantification of metabolites in blood, urine or
30 spinal fluid or enzyme or DNA confirmation in tissues.
31 4. Require specially processed or treated medical foods that are
32 generally available only under the supervision and direction of a
33 physician who is licensed pursuant to title 32, chapter 13 or 17 or a
34 registered nurse practitioner who is licensed pursuant to title 32,
35 chapter 15, that must be consumed throughout life and without which the
36 person may suffer serious mental or physical impairment.
37 W. Medical foods eligible for coverage under this section shall be
38 prescribed or ordered under the supervision of a physician licensed
39 pursuant to title 32, chapter 13 or 17 as medically necessary for the
40 therapeutic treatment of an inherited metabolic disease.
41 X. A hospital service corporation or medical service corporation
42 shall cover at least fifty percent of the cost of medical foods prescribed
43 to treat inherited metabolic disorders and covered pursuant to this
44 section. A hospital service corporation or medical service corporation
45 may limit the maximum annual benefit for medical foods under this section

to $5,000, which applies to the cost of all prescribed modified low protein foods and metabolic formula.

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

1. If the contract provides coverage for prescription drugs, the contract shall provide coverage for any prescribed drug or device that is approved by the United States food and drug administration for use as a contraceptive. A corporation may use a drug formulary, multitiered drug formulary or list but that formulary or list shall include oral, implant and injectable contraceptive drugs, intrauterine devices and prescription barrier methods. The corporation may not impose deductibles, coinsurance, copayments or other cost containment measures for contraceptive drugs, ~~that are greater than the deductibles, coinsurance, copayments or other cost containment measures for other drugs on the same level of the formulary or list~~ INTRAUTERINE DEVICES, PRESCRIPTION BARRIER METHODS OR MALE STERILIZATION.

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

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

~~Z. Notwithstanding subsection Y of this section, a religiously affiliated employer may require that the corporation provide a contract without coverage for specific items or services required under subsection Y of this section because providing or paying for coverage of the specific items or services is contrary to the religious beliefs of the religiously affiliated employer offering the plan. If a religiously affiliated employer objects to providing coverage for specific items or services required under subsection Y of this section, a written affidavit shall be filed with the corporation stating the objection. On receipt of the affidavit, the corporation shall issue to the religiously affiliated employer a contract that excludes coverage for specific items or services required under subsection Y of this section. The corporation shall retain the affidavit for the duration of the contract and any renewals of the contract. This subsection shall not exclude coverage for prescription contraceptive methods ordered by a health care provider with prescriptive authority for medical indications other than for contraceptive, abortifacient, abortion or sterilization purposes. A religiously affiliated employer offering the plan may state religious beliefs in its affidavit and may require the subscriber to first pay for the prescription and then submit a claim to the hospital service corporation, medical~~

~~service corporation or hospital, medical, dental and optometric service corporation along with evidence that the prescription is not for a purpose covered by the objection. A hospital service corporation, medical service corporation or hospital, medical, dental and optometric service corporation may charge an administrative fee for handling these claims.~~

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

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

~~CC.~~ Z. For the purposes of:

1. This section:

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

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

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

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

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

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

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

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

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

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

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

1 (iv) Essential to a person's optimal growth, health and metabolic
2 homeostasis.
3 2. Subsection E of this section, "child", for purposes of initial
4 coverage of an adopted child or a child placed for adoption but not for
5 purposes of termination of coverage of such child, means a person who is
6 under eighteen years of age.
7 ~~3. Subsections Z and AA of this section, "religiously affiliated~~
8 ~~employer" means either:~~
9 ~~(a) An entity for which all of the following apply:~~
10 ~~(i) The entity primarily employs persons who share the religious~~
11 ~~tenets of the entity.~~
12 ~~(ii) The entity primarily serves persons who share the religious~~
13 ~~tenets of the entity.~~
14 ~~(iii) The entity is a nonprofit organization as described in~~
15 ~~section 6033(a)(3)(A)(i) or (iii) of the internal revenue code of 1986, as~~
16 ~~amended.~~
17 ~~(b) An entity whose articles of incorporation clearly state that it~~
18 ~~is a religiously motivated organization and whose religious beliefs are~~
19 ~~central to the organization's operating principles.~~
20 Sec. 2. Section 20-1057.08, Arizona Revised Statutes, is amended to
21 read:
22 20-1057.08. Prescription contraceptive drugs and devices
23 A. If a health care services organization issues evidence of
24 coverage that provides coverage for:
25 1. Prescription drugs, the evidence of coverage shall provide
26 coverage for any prescribed drug or device that is approved by the United
27 States food and drug administration for use as a contraceptive. A health
28 care services organization may use a drug formulary, multitiered drug
29 formulary or list but that formulary or list shall include oral, implant
30 and injectable contraceptive drugs, intrauterine devices and prescription
31 barrier methods. ~~if~~ The health care services organization ~~does~~ MAY not
32 impose deductibles, coinsurance, copayments or other cost containment
33 measures for contraceptive drugs, ~~that are greater than the deductibles,~~
34 ~~coinsurance, copayments or other cost containment measures for other drugs~~
35 ~~on the same level of the formulary or list~~ INTRAUTERINE DEVICES,
36 PRESCRIPTION BARRIER METHODS OR MALE STERILIZATION.
37 2. Outpatient health care services, the evidence of coverage shall
38 provide coverage for outpatient contraceptive services. For the purposes
39 of this paragraph, "outpatient contraceptive services" means
40 consultations, examinations, procedures and medical services provided on
41 an outpatient basis and related to the use of APPROVED United States food
42 and drug ADMINISTRATION prescription contraceptive methods to prevent
43 unintended pregnancies.
44 ~~B. Notwithstanding subsection A of this section, a religiously~~
45 ~~affiliated employer may require that the health care services organization~~

1 ~~provide an evidence of coverage without coverage for specific items or~~
2 ~~services required under subsection A of this section because providing or~~
3 ~~paying for coverage of the specific items or services is contrary to the~~
4 ~~religious beliefs of the religiously affiliated employer offering the~~
5 ~~plan. If a religiously affiliated employer objects to providing coverage~~
6 ~~for specific items or services required under subsection A of this~~
7 ~~section, a written affidavit shall be filed with the health care services~~
8 ~~organization stating the objection. On receipt of the affidavit, the~~
9 ~~health care services organization shall issue to the religiously~~
10 ~~affiliated employer an evidence of coverage that excludes coverage for~~
11 ~~specific items or services required under subsection A of this section.~~
12 ~~The health care services organization shall retain the affidavit for the~~
13 ~~duration of the coverage and any renewals of the coverage.~~
14 ~~C. Subsection B of this section does not exclude coverage for~~
15 ~~prescription contraceptive methods ordered by a health care provider with~~
16 ~~prescriptive authority for medical indications other than for~~
17 ~~contraceptive, abortifacient, abortion or sterilization purposes. A~~
18 ~~religiously affiliated employer offering the plan may state religious~~
19 ~~beliefs in its affidavit and may require the enrollee to first pay for the~~
20 ~~prescription and then submit a claim to the health care services~~
21 ~~organization along with evidence that the prescription is not for a~~
22 ~~purpose covered by the objection. A health care services organization may~~
23 ~~charge an administrative fee for handling claims under this subsection.~~
24 ~~D. Subsections B and C of this section do not authorize a~~
25 ~~religiously affiliated employer to obtain an employee's protected health~~
26 ~~information or to violate the health insurance portability and~~
27 ~~accountability act of 1996 (P.L. 104-191; 110 Stat. 1936) or any federal~~
28 ~~regulations adopted pursuant to that act.~~
29 ~~E. Subsections B and C of this section shall not be construed to~~
30 ~~restrict or limit any protections against employment discrimination that~~
31 ~~are prescribed in federal or state law.~~
32 ~~F.~~ B. This section does not apply to evidences of coverage issued
33 to individuals on a nongroup basis.
34 ~~G. For the purposes of this section, "religiously affiliated~~
35 ~~employer" means either:~~
36 ~~1. An entity for which all of the following apply:~~
37 ~~(a) The entity primarily employs persons who share the religious~~
38 ~~tenets of the entity.~~
39 ~~(b) The entity serves primarily persons who share the religious~~
40 ~~tenets of the entity.~~
41 ~~(c) The entity is a nonprofit organization as described in section~~
42 ~~6033(a)(3)(A)(i) or (iii) of the internal revenue code of 1986, as~~
43 ~~amended.~~

~~2. An entity whose articles of incorporation clearly state that it is a religiously motivated organization and whose religious beliefs are central to the organization's operating principles.~~

Sec. 3. Title 20, chapter 6, article 4, Arizona Revised Statutes, is amended by adding section 20-1376.11, to read:

20-1376.11. Contraceptive coverage; prescriptions; male sterilization; cost sharing prohibited

A DISABILITY INSURANCE POLICY THAT INCLUDES PRESCRIPTION DRUG COVERAGE SHALL PROVIDE COVERAGE FOR ANY PRESCRIBED DRUG OR DEVICE THAT IS APPROVED BY THE UNITED STATES FOOD AND DRUG ADMINISTRATION FOR USE AS A CONTRACEPTIVE. A DISABILITY INSURANCE POLICY MAY NOT INCLUDE ANY COST SHARING REQUIREMENTS FOR CONTRACEPTIVE DRUGS, INTRAUTERINE DEVICES, PRESCRIPTION BARRIER METHODS OR MALE STERILIZATION.

Sec. 4. Section 20-1402, Arizona Revised Statutes, is amended to read:

20-1402. Provisions of group disability policies; definitions

A. Each group disability policy shall contain in substance the following provisions:

1. A provision that, in the absence of fraud, all statements made by the policyholder or by any insured person shall be deemed representations and not warranties, and that no statement made for the purpose of effecting insurance shall avoid such insurance or reduce benefits unless contained in a written instrument signed by the policyholder or the insured person, a copy of which has been furnished to the policyholder or to the person or beneficiary.

2. A provision that the insurer will furnish to the policyholder, for delivery to each employee or member of the insured group, an individual certificate setting forth in summary form a statement of the essential features of the insurance coverage of the employee or member and to whom benefits are payable. If dependents or family members are included in the coverage additional certificates need not be issued for delivery to the dependents or family members. Any policy, except accidental death and dismemberment, applied for that provides family coverage, as to such coverage of family members, shall also provide that the benefits applicable for children shall be payable with respect to a newly born child of the insured from the instant of such child's birth, to a child adopted by the insured, regardless of the age at which the child was adopted, and to a child who has been placed for adoption with the insured and for whom the application and approval procedures for adoption pursuant to section 8-105 or 8-108 have been completed to the same extent that such coverage applies to other members of the family. The coverage for newly born or adopted children or children placed for adoption shall include coverage of injury or sickness including the necessary care and treatment of medically diagnosed congenital defects and birth abnormalities. If payment of a specific premium is required to provide

coverage for a child, the policy may require that notification of birth, adoption or adoption placement of the child and payment of the required premium must be furnished to the insurer within thirty-one days after the date of birth, adoption or adoption placement in order to have the coverage continue beyond such thirty-one day period.

3. A provision that to the group originally insured may be added from time to time eligible new employees or members or dependents, as the case may be, in accordance with the terms of the policy.

4. Each contract shall be so written that the corporation shall pay benefits:

(a) For performance of any surgical service that is covered by the terms of such contract, regardless of the place of service.

(b) For any home health services that are performed by a licensed home health agency and that a physician has prescribed in lieu of hospital services, as defined by the director, providing the hospital services would have been covered.

(c) For any diagnostic service that a physician has performed outside a hospital in lieu of inpatient service, providing the inpatient service would have been covered.

(d) For any service performed in a hospital's outpatient department or in a freestanding surgical facility, providing such service would have been covered if performed as an inpatient service.

5. A group disability insurance policy that provides coverage for the surgical expense of a mastectomy shall also provide coverage incidental to the patient's covered mastectomy for the expense of reconstructive surgery of the breast on which the mastectomy was performed, surgery and reconstruction of the other breast to produce a symmetrical appearance, prostheses, treatment of physical complications for all stages of the mastectomy, including lymphedemas, and at least two external postoperative prostheses subject to all of the terms and conditions of the policy.

6. A contract, except a supplemental contract covering a specified disease or other limited benefits, that provides coverage for surgical services for a mastectomy shall also provide coverage for preventive mammography screening and diagnostic imaging performed on dedicated equipment for diagnostic purposes on referral by a patient's physician, subject to all of the terms and conditions of the policy, including:

(a) A mammogram.

(b) Digital breast tomosynthesis, magnetic resonance imaging, ultrasound or other modality and at such age and intervals as recommended by the national comprehensive cancer network. This includes patients at risk for breast cancer who have a family history with one or more first or second degree relatives with breast cancer, prior diagnosis of breast cancer, positive testing for hereditary gene mutations or heterogeneously

or dense breast tissue based on the breast imaging reporting and data system of the American college of radiology.

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

(a) The child is adopted within one year of birth.

(b) The insured is legally obligated to pay the costs of birth.

(c) All preexisting conditions and other limitations have been met by the insured.

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

8. The coverage prescribed by paragraph 7 of this subsection is excess to any other coverage the natural mother may have for maternity benefits except coverage made available to persons pursuant to title 36, chapter 29. If such other coverage exists the agency, attorney or individual arranging the adoption shall make arrangements for the insurance to pay those costs that may be covered under that policy and shall advise the adopting parent in writing of the existence and extent of the coverage without disclosing any confidential information such as the identity of the natural parent. The insured adopting parents shall notify their insurer of the existence and extent of the other coverage.

B. Any policy that provides maternity benefits shall not restrict benefits for any hospital length of stay in connection with childbirth for the mother or the newborn child to less than forty-eight hours following a normal vaginal delivery or ninety-six hours following a cesarean section. The policy shall not require the provider to obtain authorization from the insurer for prescribing the minimum length of stay required by this subsection. The policy may provide that an attending provider in consultation with the mother may discharge the mother or the newborn child before the expiration of the minimum length of stay required by this subsection. The insurer shall not:

1. Deny the mother or the newborn child eligibility or continued eligibility to enroll or to renew coverage under the terms of the policy solely for the purpose of avoiding the requirements of this subsection.

2. Provide monetary payments or rebates to mothers to encourage those mothers to accept less than the minimum protections available pursuant to this subsection.

3. Penalize or otherwise reduce or limit the reimbursement of an attending provider because that provider provided care to any insured under the policy in accordance with this subsection.

4. Provide monetary or other incentives to an attending provider to induce that provider to provide care to an insured under the policy in a manner that is inconsistent with this subsection.

5. Except as described in subsection C of this section, restrict benefits for any portion of a period within the minimum length of stay in a manner that is less favorable than the benefits provided for any preceding portion of that stay.

C. Subsection B of this section does not:

1. Require a mother to give birth in a hospital or to stay in the hospital for a fixed period of time following the birth of the child.

2. Prevent an insurer from imposing deductibles, coinsurance or other cost sharing in relation to benefits for hospital lengths of stay in connection with childbirth for a mother or a newborn child under the policy, except that any coinsurance or other cost sharing for any portion of a period within a hospital length of stay required pursuant to subsection B of this section shall not be greater than the coinsurance or cost sharing for any preceding portion of that stay.

3. Prevent an insurer from negotiating the level and type of reimbursement with a provider for care provided in accordance with subsection B of this section.

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

1. Blood glucose monitors.

2. Blood glucose monitors for the legally blind.

3. Test strips for glucose monitors and visual reading and urine testing strips.

4. Insulin preparations and glucagon.

5. Insulin cartridges.

6. Drawing up devices and monitors for the visually impaired.

7. Injection aids.

8. Insulin cartridges for the legally blind.

9. Syringes and lancets including automatic lancing devices.

10. Prescribed oral agents for controlling blood sugar that are included on the plan formulary.

11. To the extent coverage is required under medicare, podiatric appliances for prevention of complications associated with diabetes.

12. Any other device, medication, equipment or supply for which coverage is required under medicare from and after January 1, 1999. The coverage required in this paragraph is effective six months after the coverage is required under medicare.

E. Subsection D of this section does not prohibit a group disability insurer from imposing deductibles, coinsurance or other cost sharing in relation to benefits for equipment or supplies for the treatment of diabetes.

F. Any contract that provides coverage for prescription drugs shall not limit or exclude coverage for any prescription drug prescribed for the treatment of cancer on the basis that the prescription drug has not been approved by the United States food and drug administration for the treatment of the specific type of cancer for which the prescription drug has been prescribed, if the prescription drug has been recognized as safe and effective for treatment of that specific type of cancer in one or more of the standard medical reference compendia prescribed in subsection G of this section or medical literature that meets the criteria prescribed in subsection G of this section. The coverage required under this subsection includes covered medically necessary services associated with the administration of the prescription drug. This subsection does not:

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

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

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

4. Require reimbursement or coverage for any prescription drug that is not included in the drug formulary or list of covered prescription drugs specified in the contract.

5. Prohibit a contract from limiting or excluding coverage of a prescription drug, if the decision to limit or exclude coverage of the prescription drug is not based primarily on the coverage of prescription drugs required by this section.

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

G. For the purposes of subsection F of this section:

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

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

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

(c) Thomson Micromedex compendium DrugDex.

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

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

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

1 (a) At least two articles from major peer reviewed professional
2 medical journals have recognized, based on scientific or medical criteria,
3 the drug's safety and effectiveness for treatment of the indication for
4 which the drug has been prescribed.
5 (b) No article from a major peer reviewed professional medical
6 journal has concluded, based on scientific or medical criteria, that the
7 drug is unsafe or ineffective or that the drug's safety and effectiveness
8 cannot be determined for the treatment of the indication for which the
9 drug has been prescribed.
10 (c) The literature meets the uniform requirements for manuscripts
11 submitted to biomedical journals established by the international
12 committee of medical journal editors or is published in a journal
13 specified by the United States department of health and human services as
14 acceptable peer reviewed medical literature pursuant to section
15 186(t)(2)(B) of the social security act (42 United States Code section
16 1395x(t)(2)(B)).
17 H. Any contract that is offered by a group disability insurer and
18 that contains a prescription drug benefit shall provide coverage of
19 medical foods to treat inherited metabolic disorders as provided by this
20 section.
21 I. The metabolic disorders triggering medical foods coverage under
22 this section shall:
23 1. Be part of the newborn screening program prescribed in section
24 36-694.
25 2. Involve amino acid, carbohydrate or fat metabolism.
26 3. Have medically standard methods of diagnosis, treatment and
27 monitoring including quantification of metabolites in blood, urine or
28 spinal fluid or enzyme or DNA confirmation in tissues.
29 4. Require specially processed or treated medical foods that are
30 generally available only under the supervision and direction of a
31 physician who is licensed pursuant to title 32, chapter 13 or 17 or a
32 registered nurse practitioner who is licensed pursuant to title 32,
33 chapter 15, that must be consumed throughout life and without which the
34 person may suffer serious mental or physical impairment.
35 J. Medical foods eligible for coverage under this section shall be
36 prescribed or ordered under the supervision of a physician licensed
37 pursuant to title 32, chapter 13 or 17 or a registered nurse practitioner
38 who is licensed pursuant to title 32, chapter 15 as medically necessary
39 for the therapeutic treatment of an inherited metabolic disease.
40 K. An insurer shall cover at least fifty percent of the cost of
41 medical foods prescribed to treat inherited metabolic disorders and
42 covered pursuant to this section. An insurer may limit the maximum annual
43 benefit for medical foods under this section to $5,000, which applies to
44 the cost of all prescribed modified low protein foods and metabolic
45 formula.

L. Any group disability policy that provides coverage for:

1. Prescription drugs shall also provide coverage for any prescribed drug or device that is approved by the United States food and drug administration for use as a contraceptive. A group disability insurer may use a drug formulary, multitiered drug formulary or list but that formulary or list shall include oral, implant and injectable contraceptive drugs, intrauterine devices and prescription barrier methods. The group disability insurer may not impose deductibles, coinsurance, copayments or other cost containment measures for contraceptive drugs, ~~that are greater than the deductibles, coinsurance, copayments or other cost containment measures for other drugs on the same level of the formulary or list~~ INTRAUTERINE DEVICES, PRESCRIPTION BARRIER METHODS OR MALE STERILIZATION.

2. Outpatient health care services shall also provide coverage for outpatient contraceptive services. For the purposes of this paragraph, "outpatient contraceptive services" means consultations, examinations, procedures and medical services provided on an outpatient basis and related to the use of approved United States food and drug administration prescription contraceptive methods to prevent unintended pregnancies.

~~M. Notwithstanding subsection L of this section, a religiously affiliated employer may require that the insurer provide a group disability policy without coverage for specific items or services required under subsection L of this section because providing or paying for coverage of the specific items or services is contrary to the religious beliefs of the religiously affiliated employer offering the plan. If a religiously affiliated employer objects to providing coverage for specific items or services required under subsection L of this section, a written affidavit shall be filed with the insurer stating the objection. On receipt of the affidavit, the insurer shall issue to the religiously affiliated employer a group disability policy that excludes coverage for specific items or services required under subsection L of this section. The insurer shall retain the affidavit for the duration of the group disability policy and any renewals of the policy. This subsection shall not exclude coverage for prescription contraceptive methods ordered by a health care provider with prescriptive authority for medical indications other than for contraceptive, abortifacient, abortion or sterilization purposes. A religiously affiliated employer offering the policy may state religious beliefs in its affidavit and may require the insured to first pay for the prescription and then submit a claim to the insurer along with evidence that the prescription is not for a purpose covered by the objection. An insurer may charge an administrative fee for handling these claims.~~

~~N. Subsection M of this section does not authorize a religiously affiliated employer to obtain an employee's protected health information or to violate the health insurance portability and accountability act of~~

1 ~~1996 (P.L. 104-191; 110 Stat. 1936) or any federal regulations adopted~~
2 ~~pursuant to that act.~~
3 ~~O. Subsection M of this section shall not be construed to restrict~~
4 ~~or limit any protections against employment discrimination that are~~
5 ~~prescribed in federal or state law.~~
6 ~~P.~~ M. For the purposes of:
7 1. This section:
8 (a) "Inherited metabolic disorder" means a disease caused by an
9 inherited abnormality of body chemistry and includes a disease tested
10 under the newborn screening program prescribed in section 36-694.
11 (b) "Medical foods" means modified low protein foods and metabolic
12 formula.
13 (c) "Metabolic formula" means foods that are all of the following:
14 (i) Formulated to be consumed or administered enterally under the
15 supervision of a physician who is licensed pursuant to title 32, chapter
16 13 or 17 or a registered nurse practitioner who is licensed pursuant to
17 title 32, chapter 15.
18 (ii) Processed or formulated to be deficient in one or more of the
19 nutrients present in typical foodstuffs.
20 (iii) Administered for the medical and nutritional management of a
21 person who has limited capacity to metabolize foodstuffs or certain
22 nutrients contained in the foodstuffs or who has other specific nutrient
23 requirements as established by medical evaluation.
24 (iv) Essential to a person's optimal growth, health and metabolic
25 homeostasis.
26 (d) "Modified low protein foods" means foods that are all of the
27 following:
28 (i) Formulated to be consumed or administered enterally under the
29 supervision of a physician who is licensed pursuant to title 32, chapter
30 13 or 17 or a registered nurse practitioner who is licensed pursuant to
31 title 32, chapter 15.
32 (ii) Processed or formulated to contain less than one gram of
33 protein per unit of serving, but does not include a natural food that is
34 naturally low in protein.
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 2. Subsection A of this section, the term "child", for purposes of
42 initial coverage of an adopted child or a child placed for adoption but
43 not for purposes of termination of coverage of such child, means a person
44 who is under eighteen years of age.

1 ~~3. Subsections M and N of this section, "religiously affiliated~~
2 ~~employer" means either:~~
3 ~~(a) An entity for which all of the following apply:~~
4 ~~(i) The entity primarily employs persons who share the religious~~
5 ~~tenets of the entity.~~
6 ~~(ii) The entity serves primarily persons who share the religious~~
7 ~~tenets of the entity.~~
8 ~~(iii) The entity is a nonprofit organization as described in~~
9 ~~section 6033(a)(3)(A)(i) or (iii) of the internal revenue code of 1986, as~~
10 ~~amended.~~
11 ~~(b) An entity whose articles of incorporation clearly state that it~~
12 ~~is a religiously motivated organization and whose religious beliefs are~~
13 ~~central to the organization's operating principles.~~
14 Sec. 5. Section 20-1404, Arizona Revised Statutes, is amended to
15 read:
16 20-1404. Blanket disability insurance; definitions
17 A. Blanket disability insurance is that form of disability
18 insurance covering special groups of persons as enumerated in one of the
19 following paragraphs:
20 1. Under a policy or contract issued to any common carrier or to
21 any operator, owner or lessee of a means of transportation, which shall be
22 deemed the policyholder, covering a group defined as all persons who may
23 become passengers on such common carrier or means of transportation.
24 2. Under a policy or contract issued to an employer, who shall be
25 deemed the policyholder, covering all employees or any group of employees
26 defined by reference to hazards incident to an activity or activities or
27 operations of the policyholder. Dependents of the employees and guests of
28 the employer or employees may also be included where exposed to the same
29 hazards.
30 3. Under a policy or contract issued to a college, school or other
31 institution of learning or to the head or principal thereof, who or which
32 shall be deemed the policyholder, covering students, teachers, employees
33 or volunteers.
34 4. Under a policy or contract issued in the name of any volunteer
35 fire department or any first aid, civil defense or other such volunteer
36 group, or agency having jurisdiction thereof, which shall be deemed the
37 policyholder, covering all or any group of the members, participants or
38 volunteers of the fire department or first aid, civil defense or other
39 group.
40 5. Under a policy or contract issued to a creditor, who shall be
41 deemed the policyholder, to insure debtors of the creditor.
42 6. Under a policy or contract issued to a sports team or to a camp
43 or sponsor thereof, which team or camp or sponsor thereof shall be deemed
44 the policyholder, covering members, campers, employees, officials,
45 supervisors or volunteers.

7. Under a policy or contract issued to an incorporated or unincorporated religious, charitable, recreational, educational or civic organization, or branch thereof, which organization shall be deemed the policyholder, covering any group of members, participants or volunteers defined by reference to hazards incident to an activity or activities or operations sponsored or supervised by or on the premises of the policyholder.

8. Under a policy or contract issued to a newspaper or other publisher, which shall be deemed the policyholder, covering its carriers.

9. Under a policy or contract issued to a restaurant, hotel, motel, resort, innkeeper or other group with a high degree of potential customer liability, which shall be deemed the policyholder, covering patrons or guests.

10. Under a policy or contract issued to a health care provider or other arranger of health services, which shall be deemed the policyholder, covering patients, donors or surrogates provided that the coverage is not made a condition of receiving care.

11. Under a policy or contract issued to a bank, financial vendor or other financial institution, or to a parent holding company or to the trustee, trustees or agent designated by one or more banks, financial vendors or other financial institutions, which shall be deemed the policyholder, covering account holders, debtors, guarantors or purchasers.

12. Under a policy or contract issued to an incorporated or unincorporated association of persons having a common interest or calling, which association shall be deemed the policyholder, formed for purposes other than obtaining insurance, covering members of such association.

13. Under a policy or contract issued to a travel agency or other organization that provides travel-related services, which agency or organization shall be deemed the policyholder, to cover all persons for whom travel-related services are provided.

14. Under a policy or contract issued to a qualified marketplace platform, which is deemed the policyholder, covering qualified marketplace contractors that have executed a written contract with the qualified marketplace platform. For the purposes of this paragraph, "qualified marketplace contractor" and "qualified marketplace platform" have the same meanings prescribed in section 20-485.

15. Under a policy or contract that is issued to any other substantially similar group and that, in the discretion of the director, may be subject to the issuance of a blanket disability policy or contract. The director may exercise discretion on an individual risk basis or class of risks, or both.

B. An individual application need not be required from a person covered under a blanket disability policy or contract, nor shall it be necessary for the insurer to furnish each person with a certificate.

C. All benefits under any blanket disability policy shall be payable to the person insured, or to the insured's designated beneficiary or beneficiaries, or to the insured's estate, except that if the person insured is a minor, such benefits may be made payable to the insured's parent or guardian or any other person actually supporting the insured, and except that the policy may provide that all or any portion of any indemnities provided by any such policy on account of hospital, nursing, medical or surgical services, at the insurer's option, may be paid directly to the hospital or person rendering such services, but the policy may not require that the service be rendered by a particular hospital or person. Payment so made shall discharge the insurer's obligation with respect to the amount of insurance so paid.

D. This section does not affect the legal liability of policyholders for the death of or injury to any member of the group.

E. Any policy or contract, except accidental death and dismemberment, applied for that provides family coverage, as to such coverage of family members, shall also provide that the benefits applicable for children shall be payable with respect to a newly born child of the insured from the instant of such child's birth, to a child adopted by the insured, regardless of the age at which the child was adopted, and to a child who has been placed for adoption with the insured and for whom the application and approval procedures for adoption pursuant to section 8-105 or 8-108 have been completed to the same extent that such coverage applies to other members of the family. The coverage for newly born or adopted children or children placed for adoption shall include coverage of injury or sickness including necessary care and treatment of medically diagnosed congenital defects and birth abnormalities. If payment of a specific premium is required to provide coverage for a child, the policy or contract may require that notification of birth, adoption or adoption placement of the child and payment of the required premium must be furnished to the insurer within thirty-one days after the date of birth, adoption or adoption placement in order to have the coverage continue beyond the thirty-one day period.

F. Each policy or contract shall be so written that the insurer shall pay benefits:

1. For performance of any surgical service that is covered by the terms of such contract, regardless of the place of service.

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

3. For any diagnostic service that a physician has performed outside a hospital in lieu of inpatient service, providing the inpatient service would have been covered.

4. For any service performed in a hospital's outpatient department or in a freestanding surgical facility, providing such service would have been covered if performed as an inpatient service.

G. A blanket disability insurance policy that provides coverage for the surgical expense of a mastectomy shall also provide coverage incidental to the patient's covered mastectomy for the expense of reconstructive surgery of the breast on which the mastectomy was performed, surgery and reconstruction of the other breast to produce a symmetrical appearance, prostheses, treatment of physical complications for all stages of the mastectomy, including lymphedemas, and at least two external postoperative prostheses subject to all of the terms and conditions of the policy.

H. A contract that provides coverage for surgical services for a mastectomy shall also provide coverage for preventive mammography screening and diagnostic imaging performed on dedicated equipment for diagnostic purposes on referral by a patient's physician, subject to all of the terms and conditions of the policy, including:

1. A mammogram.

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

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

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

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

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

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

J. The coverage prescribed by subsection I of this section is excess to any other coverage the natural mother may have for maternity benefits except coverage made available to persons pursuant to title 36, chapter 29. If such other coverage exists the agency, attorney or individual arranging the adoption shall make arrangements for the insurance to pay those costs that may be covered under that policy and shall advise the adopting parent in writing of the existence and extent of

1 the coverage without disclosing any confidential information such as the
2 identity of the natural parent. The insured adopting parents shall notify
3 their insurer of the existence and extent of the other coverage.
4 K. Any contract that provides maternity benefits shall not restrict
5 benefits for any hospital length of stay in connection with childbirth for
6 the mother or the newborn child to less than forty-eight hours following a
7 normal vaginal delivery or ninety-six hours following a cesarean section.
8 The contract shall not require the provider to obtain authorization from
9 the insurer for prescribing the minimum length of stay required by this
10 subsection. The contract may provide that an attending provider in
11 consultation with the mother may discharge the mother or the newborn child
12 before the expiration of the minimum length of stay required by this
13 subsection. The insurer shall not:
14 1. Deny the mother or the newborn child eligibility or continued
15 eligibility to enroll or to renew coverage under the terms of the contract
16 solely for the purpose of avoiding the requirements of this subsection.
17 2. Provide monetary payments or rebates to mothers to encourage
18 those mothers to accept less than the minimum protections available
19 pursuant to this subsection.
20 3. Penalize or otherwise reduce or limit the reimbursement of an
21 attending provider because that provider provided care to any insured
22 under the contract in accordance with this subsection.
23 4. Provide monetary or other incentives to an attending provider to
24 induce that provider to provide care to an insured under the contract in a
25 manner that is inconsistent with this subsection.
26 5. Except as described in subsection L of this section, restrict
27 benefits for any portion of a period within the minimum length of stay in
28 a manner that is less favorable than the benefits provided for any
29 preceding portion of that stay.
30 L. Subsection K of this section does not:
31 1. Require a mother to give birth in a hospital or to stay in the
32 hospital for a fixed period of time following the birth of the child.
33 2. Prevent an insurer from imposing deductibles, coinsurance or
34 other cost sharing in relation to benefits for hospital lengths of stay in
35 connection with childbirth for a mother or a newborn child under the
36 contract, except that any coinsurance or other cost sharing for any
37 portion of a period within a hospital length of stay required pursuant to
38 subsection K of this section shall not be greater than the coinsurance or
39 cost sharing for any preceding portion of that stay.
40 3. Prevent an insurer from negotiating the level and type of
41 reimbursement with a provider for care provided in accordance with
42 subsection K of this section.
43 M. Any contract that provides coverage for diabetes shall also
44 provide coverage for equipment and supplies that are medically necessary
45 and that are prescribed by a health care provider including:

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

N. Subsection M of this section does not prohibit a blanket disability insurer from imposing deductibles, coinsurance or other cost sharing in relation to benefits for equipment or supplies for the treatment of diabetes.

O. Any contract that provides coverage for prescription drugs shall not limit or exclude coverage for any prescription drug prescribed for the treatment of cancer on the basis that the prescription drug has not been approved by the United States food and drug administration for the treatment of the specific type of cancer for which the prescription drug has been prescribed, if the prescription drug has been recognized as safe and effective for treatment of that specific type of cancer in one or more of the standard medical reference compendia prescribed in subsection P of this section or medical literature that meets the criteria prescribed in subsection P of this section. The coverage required under this subsection includes covered medically necessary services associated with the administration of the prescription drug. This subsection does not:

1. Require coverage of any prescription drug used in the treatment of a type of cancer if the United States food and drug administration has determined that the prescription drug is contraindicated for that type of cancer.
2. Require coverage for any experimental prescription drug that is not approved for any indication by the United States food and drug administration.
3. Alter any law with regard to provisions that limit the coverage of prescription drugs that have not been approved by the United States food and drug administration.

1 4. Require reimbursement or coverage for any prescription drug that
2 is not included in the drug formulary or list of covered prescription
3 drugs specified in the contract.
4 5. Prohibit a contract from limiting or excluding coverage of a
5 prescription drug, if the decision to limit or exclude coverage of the
6 prescription drug is not based primarily on the coverage of prescription
7 drugs required by this section.
8 6. Prohibit the use of deductibles, coinsurance, copayments or
9 other cost sharing in relation to drug benefits and related medical
10 benefits offered.
11 P. For the purposes of subsection O of this section:
12 1. The acceptable standard medical reference compendia are the
13 following:
14 (a) The American hospital formulary service drug information, a
15 publication of the American society of health system pharmacists.
16 (b) The national comprehensive cancer network drugs and biologics
17 compendium.
18 (c) Thomson Micromedex compendium DrugDex.
19 (d) Elsevier gold standard's clinical pharmacology compendium.
20 (e) Other authoritative compendia as identified by the secretary of
21 the United States department of health and human services.
22 2. Medical literature may be accepted if all of the following
23 apply:
24 (a) At least two articles from major peer reviewed professional
25 medical journals have recognized, based on scientific or medical criteria,
26 the drug's safety and effectiveness for treatment of the indication for
27 which the drug has been prescribed.
28 (b) No article from a major peer reviewed professional medical
29 journal has concluded, based on scientific or medical criteria, that the
30 drug is unsafe or ineffective or that the drug's safety and effectiveness
31 cannot be determined for the treatment of the indication for which the
32 drug has been prescribed.
33 (c) The literature meets the uniform requirements for manuscripts
34 submitted to biomedical journals established by the international
35 committee of medical journal editors or is published in a journal
36 specified by the United States department of health and human services as
37 acceptable peer reviewed medical literature pursuant to section
38 186(t)(2)(B) of the social security act (42 United States Code section
39 1395x(t)(2)(B)).
40 Q. Any contract that is offered by a blanket disability insurer and
41 that contains a prescription drug benefit shall provide coverage of
42 medical foods to treat inherited metabolic disorders as provided by this
43 section.

R. The metabolic disorders triggering medical foods coverage under this section shall:

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

2. Involve amino acid, carbohydrate or fat metabolism.

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

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

S. Medical foods eligible for coverage under this section shall be prescribed or ordered under the supervision of a physician licensed pursuant to title 32, chapter 13 or 17 or a registered nurse practitioner who is licensed pursuant to title 32, chapter 15 as medically necessary for the therapeutic treatment of an inherited metabolic disease.

T. An insurer shall cover at least fifty percent of the cost of medical foods prescribed to treat inherited metabolic disorders and covered pursuant to this section. An insurer may limit the maximum annual benefit for medical foods under this section to $5,000, which applies to the cost of all prescribed modified low protein foods and metabolic formula.

U. Any blanket disability policy that provides coverage for:

1. Prescription drugs shall also provide coverage for any prescribed drug or device that is approved by the United States food and drug administration for use as a contraceptive. A blanket disability insurer may use a drug formulary, multitiered drug formulary or list but that formulary or list shall include oral, implant and injectable contraceptive drugs, intrauterine devices and prescription barrier methods. The blanket disability insurer may not impose deductibles, coinsurance, copayments or other cost containment measures for contraceptive drugs, ~~that are greater than the deductibles, coinsurance, copayments or other cost containment measures for other drugs on the same level of the formulary or list~~ INTRAUTERINE DEVICES, PRESCRIPTION BARRIER METHODS OR MALE STERILIZATION.

2. Outpatient health care services shall also provide coverage for outpatient contraceptive services. For the purposes of this paragraph, "outpatient contraceptive services" means consultations, examinations, procedures and medical services provided on an outpatient basis and related to the use of approved United States food and drug administration prescription contraceptive methods to prevent unintended pregnancies.

~~V. Notwithstanding subsection U of this section, a religiously affiliated employer may require that the insurer provide a blanket disability policy without coverage for specific items or services required under subsection U of this section because providing or paying for coverage of the specific items or services is contrary to the religious beliefs of the religiously affiliated employer offering the plan. If a religiously affiliated employer objects to providing coverage for specific items or services required under subsection U of this section, a written affidavit shall be filed with the insurer stating the objection. On receipt of the affidavit, the insurer shall issue to the religiously affiliated employer a blanket disability policy that excludes coverage for specific items or services required under subsection U of this section. The insurer shall retain the affidavit for the duration of the blanket disability policy and any renewals of the policy. This subsection shall not exclude coverage for prescription contraceptive methods ordered by a health care provider with prescriptive authority for medical indications other than for contraceptive, abortifacient, abortion or sterilization purposes. A religiously affiliated employer offering the policy may state religious beliefs in its affidavit and may require the insured to first pay for the prescription and then submit a claim to the insurer along with evidence that the prescription is not for a purpose covered by the objection. An insurer may charge an administrative fee for handling these claims under this subsection.~~

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

~~X. Subsection V of this section shall not be construed to restrict or limit any protections against employment discrimination that are prescribed in federal or state law.~~

~~Y.~~ V. For the purposes of:

1. This section:

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

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

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

(i) Formulated to be consumed or administered enterally under the supervision of a physician who is licensed pursuant to title 32, chapter 13 or 17 or a registered nurse practitioner who is licensed pursuant to title 32, chapter 15.

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

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

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

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

(i) Formulated to be consumed or administered enterally under the supervision of a physician who is licensed pursuant to title 32, chapter 13 or 17 or a registered nurse practitioner who is licensed pursuant to title 32, chapter 15.

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

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

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

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

~~3. Subsections V and W of this section, "religiously affiliated employer" means either:~~

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

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

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

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

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