

REFERENCE TITLE: health care sharing; requirements; appropriations

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SB 1553

Introduced by
Senator Mendez

AN ACT

AMENDING TITLE 20, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 20-111; RELATING TO HEALTH CARE COSTS.

(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 20-111, to read:

4 20-111. Health care sharing plan or arrangement; reporting;
5 deficiency notice; public posting; cease and desist
6 order; exceptions

7 A. ON OR BEFORE DECEMBER 1, 2024 AND EACH JUNE 1 THEREAFTER, A
8 PERSON THAT IS NOT AUTHORIZED TO TRANSACT INSURANCE IN THIS STATE BUT THAT
9 OFFERS OR INTENDS TO OFFER A HEALTH CARE SHARING PLAN OR ARRANGEMENT TO
10 FACILITATE PAYMENT OR REIMBURSEMENT OF HEALTH CARE COSTS OR SERVICES FOR
11 RESIDENTS OF THIS STATE, REGARDLESS OF WHETHER THE PERSON IS DOMICILED IN
12 THIS STATE OR ANOTHER STATE, SHALL SUBMIT TO THE DEPARTMENT:

13 1. ALL OF THE FOLLOWING INFORMATION:

14 (a) THE TOTAL NUMBER OF INDIVIDUALS AND HOUSEHOLDS THAT
15 PARTICIPATED IN THE PLAN OR ARRANGEMENT IN THIS STATE IN THE IMMEDIATELY
16 PRECEDING CALENDAR YEAR.

17 (b) THE TOTAL NUMBER OF EMPLOYER GROUPS THAT PARTICIPATED IN THE
18 PLAN OR ARRANGEMENT IN THIS STATE IN THE IMMEDIATELY PRECEDING CALENDAR
19 YEAR AND SHALL INCLUDE THE TOTAL NUMBER OF INDIVIDUALS WHO PARTICIPATED IN
20 THE PLAN OR ARRANGEMENT FOR EACH PARTICIPATING EMPLOYER GROUP.

21 (c) IF THE PERSON OFFERS A PLAN OR ARRANGEMENT IN OTHER STATES, THE
22 TOTAL NUMBER OF PARTICIPANTS IN THE PLAN OR ARRANGEMENT NATIONALLY.

23 (d) ANY CONTRACTS THE PERSON HAS ENTERED INTO WITH PROVIDERS IN
24 THIS STATE THAT PROVIDE HEALTH CARE SERVICES TO PLAN OR ARRANGEMENT
25 PARTICIPANTS.

26 (e) THE TOTAL AMOUNT OF FEES, DUES OR OTHER PAYMENTS COLLECTED BY
27 THE PERSON IN THE IMMEDIATELY PRECEDING CALENDAR YEAR FROM INDIVIDUALS,
28 EMPLOYER GROUPS OR OTHERS WHO PARTICIPATED IN THE PLAN OR ARRANGEMENT IN
29 THIS STATE AND SHALL SPECIFY THE PERCENTAGE OF FEES, DUES OR OTHER
30 PAYMENTS RETAINED BY THE PERSON FOR ADMINISTRATIVE EXPENSES.

31 (f) THE TOTAL DOLLAR AMOUNT OF REQUESTS FOR REIMBURSEMENT OF HEALTH
32 CARE COSTS OR SERVICES SUBMITTED IN THIS STATE IN THE IMMEDIATELY
33 PRECEDING CALENDAR YEAR BY EITHER PARTICIPANTS IN THE PLAN OR ARRANGEMENT
34 OR PROVIDERS THAT PROVIDED HEALTH CARE SERVICES TO PLAN OR ARRANGEMENT
35 PARTICIPANTS.

36 (g) THE TOTAL DOLLAR AMOUNT OF REQUESTS FOR REIMBURSEMENT OF HEALTH
37 CARE COSTS OR SERVICES THAT WERE SUBMITTED IN THIS STATE AND THAT
38 QUALIFIED FOR REIMBURSEMENT UNDER THE PLAN OR ARRANGEMENT IN THE
39 IMMEDIATELY PRECEDING CALENDAR YEAR.

40 (h) THE TOTAL AMOUNT OF PAYMENTS MADE TO PROVIDERS IN THIS STATE IN
41 THE IMMEDIATELY PRECEDING CALENDAR YEAR FOR HEALTH CARE SERVICES PROVIDED
42 TO OR RECEIVED BY A PLAN OR ARRANGEMENT PARTICIPANT.

43 (i) THE TOTAL AMOUNT OF HEALTH CARE SERVICES PROVIDED TO OR
44 RECEIVED BY PLAN OR ARRANGEMENT PARTICIPANTS IN THIS STATE IN THE
45 IMMEDIATELY PRECEDING CALENDAR YEAR.

1
2 (j) THE TOTAL NUMBER OF REQUESTS FOR REIMBURSEMENT OF HEALTH CARE
3 COSTS OR SERVICES SUBMITTED IN THIS STATE IN THE IMMEDIATELY PRECEDING
4 CALENDAR YEAR THAT WERE EITHER:

5 (i) DENIED, EXPRESSED BY A PERCENTAGE OF THE TOTAL REIMBURSEMENT
6 REQUEST AMOUNT.

7 (ii) APPEALED.

8 (k) THE TOTAL AMOUNT OF HEALTH CARE EXPENSES SUBMITTED IN THIS
9 STATE BY PLAN OR ARRANGEMENT PARTICIPANTS OR PROVIDERS IN THE IMMEDIATELY
10 PRECEDING CALENDAR YEAR THAT QUALIFY FOR REIMBURSEMENT PURSUANT TO THE
11 PLAN OR ARRANGEMENT CRITERIA BUT THAT HAVE NOT BEEN REIMBURSED AT THE END
12 OF THE CALENDAR YEAR, EXCLUDING ANY COSTS THAT PARTICIPANTS MUST PAY
13 BEFORE RECEIVING REIMBURSEMENT.

14 (l) THE ESTIMATED NUMBER OF PLAN OR ARRANGEMENT PARTICIPANTS IN
15 THIS STATE IN THE NEXT CALENDAR YEAR AND SHALL SPECIFY THE ESTIMATED
16 NUMBER OF INDIVIDUALS, HOUSEHOLDS, EMPLOYER GROUPS AND EMPLOYEES.

17 (m) THE SPECIFIC COUNTIES IN THIS STATE IN WHICH THE PERSON:

18 (i) OFFERED A PLAN OR ARRANGEMENT IN THE IMMEDIATELY PRECEDING
19 CALENDAR YEAR.

20 (ii) INTENDS TO OFFER A PLAN OR ARRANGEMENT IN THE NEXT CALENDAR
21 YEAR.

22 (n) A LIST OF THE OTHER STATES IN WHICH THE PERSON OFFERS A PLAN OR
23 ARRANGEMENT.

24 (o) A LIST OF ANY THIRD PARTIES, OTHER THAN A PRODUCER, THAT ARE
25 ASSOCIATED WITH OR THAT ASSISTED THE PERSON IN OFFERING OR ENROLLING
26 PARTICIPANTS IN THE PLAN OR ARRANGEMENT IN THIS STATE IN THE IMMEDIATELY
27 PRECEDING CALENDAR YEAR AND SHALL PROVIDE COPIES OF TRAINING MATERIALS
28 PROVIDED TO A THIRD PARTY, IF ANY, AND A DETAILED ACCOUNTING OF ANY
29 COMMISSIONS OR OTHER FEES OR REMUNERATION PAID TO A THIRD PARTY FOR
30 EITHER:

31 (i) MARKETING, PROMOTING OR ENROLLING PARTICIPANTS IN A PLAN OR
32 ARRANGEMENT OFFERED BY THE PERSON IN THIS STATE.

33 (ii) OPERATING, MANAGING OR ADMINISTERING A PLAN OR ARRANGEMENT
34 OFFERED BY THE PERSON IN THIS STATE.

35 (p) THE TOTAL NUMBER OF PRODUCERS THAT ARE ASSOCIATED WITH OR THAT
36 ASSISTED THE PERSON IN OFFERING OR ENROLLING PARTICIPANTS IN THE PLAN OR
37 ARRANGEMENT IN THIS STATE AND THE TOTAL NUMBER OF PARTICIPANTS ENROLLED IN
38 THE PLAN OR ARRANGEMENT THROUGH A PRODUCER IN THE IMMEDIATELY PRECEDING
39 CALENDAR YEAR FOR MARKETING, PROMOTING OR ENROLLING PARTICIPANTS IN A PLAN
40 OR ARRANGEMENT OFFERED BY THE PERSON IN THIS STATE.

41 (q) COPIES OF ANY CONSUMER-FACING AND MARKETING MATERIALS THAT ARE
42 USED IN THIS STATE IN PROMOTING THE PERSON'S PLAN OR ARRANGEMENT AND THAT
43 INCLUDE:

44 (i) THE PLAN OR ARRANGEMENT.

45 (ii) THE BENEFIT DESCRIPTIONS.

1 (iii) ANY OTHER MATERIALS THAT EXPLAIN THE PLAN OR ARRANGEMENT.
2 (r) THE NAME, MAILING ADDRESS, EMAIL ADDRESS AND TELEPHONE NUMBER
3 OF AN INDIVIDUAL WHO SERVES AS A CONTACT PERSON FOR THE PERSON IN THIS
4 STATE.
5 (s) A LIST OF ANY PARENT COMPANIES, SUBSIDIARIES AND OTHER NAMES
6 THAT THE PERSON HAS OPERATED UNDER AT ANY TIME WITHIN THE IMMEDIATELY
7 PRECEDING FIVE CALENDAR YEARS.
8 (t) AN ORGANIZATIONAL CHART FOR THE PERSON AND A LIST OF THE
9 OFFICERS AND DIRECTORS OF THAT PERSON.
10 2. A CERTIFICATION THAT, TO THE BEST OF THE PERSON'S GOOD-FAITH
11 KNOWLEDGE AND BELIEF, THE INFORMATION SUBMITTED IS ACCURATE AND SATISFIES
12 THE REQUIREMENTS PRESCRIBED IN PARAGRAPH 1 OF THIS SUBSECTION.
13 B. IF A PERSON WHO IS SUBJECT TO THE REQUIREMENTS PRESCRIBED IN
14 SUBSECTION A OF THIS SECTION FAILS TO SUBMIT THE REQUIRED INFORMATION OR
15 CERTIFICATION, THE SUBMISSION IS DEEMED INCOMPLETE. THE DIRECTOR SHALL
16 DETERMINE WHETHER THE SUBMISSION IS COMPLETE WITHIN FORTY-FIVE DAYS AFTER
17 RECEIVING THE SUBMISSION. IF THE DIRECTOR FINDS THAT THE SUBMISSION DOES
18 NOT CONTAIN THE REQUIRED INFORMATION, THE DIRECTOR SHALL ISSUE A NOTICE OF
19 DEFICIENCIES WITHIN FORTY-FIVE DAYS AND, IF THE DIRECTOR DOES NOT NOTIFY
20 THE PERSON OF ANY DEFICIENCIES WITHIN FORTY-FIVE DAYS, THE SUBMISSION IS
21 CONSIDERED COMPLETE.
22 C. IF THE DIRECTOR DETERMINES THAT A PERSON FAILED TO COMPLY WITH
23 THE REQUIREMENTS PRESCRIBED IN SUBSECTION A OF THIS SECTION, THE DIRECTOR:
24 1. SHALL NOTIFY THE PERSON THAT THE SUBMISSION IS INCOMPLETE AND
25 ENUMERATE EACH DEFICIENCY FOUND IN THE PERSON'S SUBMISSION.
26 2. SHALL ALLOW THE PERSON THIRTY DAYS TO CORRECT ANY SUBMISSION
27 DEFICIENCY AFTER RECEIPT OF THE NOTICE OF DEFICIENCIES.
28 3. IF THE PERSON DOES NOT REMEDY THE DEFICIENCY OR DEFICIENCIES
29 WITHIN THE THIRTY-DAY PERIOD, MAY IMPOSE A CIVIL PENALTY IN AN AMOUNT OF
30 NOT MORE THAN \$5,000 PER DAY.
31 4. IF THE PERSON DOES NOT REMEDY THE DEFICIENCY OR DEFICIENCIES
32 WITHIN THIRTY DAYS AFTER IMPOSITION OF THE INITIAL CIVIL PENALTY, MAY
33 ISSUE A CEASE AND DESIST ORDER IN ACCORDANCE SUBSECTION F OF THIS SECTION.
34 D. ON OR BEFORE APRIL 1, 2025 AND EACH OCTOBER 1 THEREAFTER, THE
35 DIRECTOR SHALL DO ALL OF THE FOLLOWING:
36 1. PREPARE A WRITTEN REPORT THAT SUMMARIZES THE INFORMATION
37 SUBMITTED BY PERSONS PURSUANT TO SUBSECTION A OF THIS SECTION.
38 2. POST ON THE DEPARTMENT'S WEBSITE BOTH OF THE FOLLOWING:
39 (a) THE REPORT THAT CONTAINS ACCURATE AND EVIDENCE-BASED
40 INFORMATION ABOUT THE PERSONS WHO SUBMITTED INFORMATION PURSUANT TO
41 SUBSECTION A OF THIS SECTION.
42 (b) INFORMATION ON HOW CONSUMERS MAY FILE A COMPLAINT.
43 E. THE DEPARTMENT MAY ADOPT RULES TO IMPLEMENT THIS SECTION.
44 F. THE DIRECTOR MAY ISSUE AN EX PARTE EMERGENCY CEASE AND DESIST
45 ORDER IF THE DIRECTOR BELIEVES THAT:

- 1 1. AN UNAUTHORIZED PERSON IS ENGAGING IN THE BUSINESS OF INSURANCE
2 IN VIOLATION OF THIS SECTION OR ANY RULE ADOPTED BY THE DEPARTMENT.
- 3 2. A PERSON IS FAILING TO REMEDY OR HAS NOT REMEDIED ANY DEFICIENCY
4 IN THE SUBMISSION.
- 5 G. A PERSON THAT IS NOT AUTHORIZED TO TRANSACT INSURANCE IN THIS
6 STATE BUT THAT OFFERS OR INTENDS TO OFFER A HEALTH CARE SHARING PLAN OR
7 ARRANGEMENT AND A HEALTH CARE INSURER THAT OFFERS BOTH A HEALTH CARE
8 SHARING PLAN OR ARRANGEMENT AND HEALTH INSURANCE COVERAGE ARE REQUIRED TO
9 EXPLAIN, VERBALLY AND IN WRITING, THE FOLLOWING INFORMATION TO PROSPECTIVE
10 CUSTOMERS:
- 11 1. THE DIFFERENCES BETWEEN A HEALTH CARE SHARING PLAN OR
12 ARRANGEMENT AND HEALTH INSURANCE COVERAGE.
- 13 2. THAT A HEALTH CARE SHARING PLAN OR ARRANGEMENT DOES NOT
14 GUARANTEE PAYMENT OF MEDICAL CLAIMS.
- 15 3. THE ELIGIBILITY REQUIREMENTS FOR AFFORDABLE HEALTH CARE TAX
16 CREDITS.
- 17 H. THIS SECTION DOES NOT APPLY TO:
- 18 1. DIRECT PRIMARY CARE AGREEMENTS AS DEFINED IN SECTION 44-1799.91.
- 19 2. OTHER CONSUMER PAYMENT ARRANGEMENTS THAT ARE IDENTIFIED BY THE
20 DIRECTOR BY RULE, INCLUDING CONSUMER PAYMENT PLANS OFFERED DIRECTLY BY A
21 PROVIDER TO A PATIENT OR THE PARTY RESPONSIBLE FOR PAYMENT ON BEHALF OF
22 THE PATIENT.