

REFERENCE TITLE: health insurance mandates; procedures

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

SB 1294

Introduced by
Senator Leff; Representatives Adams, Barnes, Crandall; Senators Chevront,
Gould; Representative DeSimone

AN ACT

AMENDING SECTIONS 20-181 AND 20-182, ARIZONA REVISED STATUTES; AMENDING TITLE 20, CHAPTER 1, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-183; RELATING TO MANDATED HEALTH COVERAGE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 20-181, Arizona Revised Statutes, is amended to
3 read:

4 20-181. Mandated health coverage proposal; report

5 A. An organization, ~~or~~ individual OR LEGISLATOR advocating a
6 legislative proposal which would mandate a health coverage or offering of a
7 health coverage by an insurer, hospital, medical, dental or optometric
8 service corporation, health care services organization or any other health
9 care service contractor as a component of individual or group policies shall
10 submit a report ~~to the standing committee of the legislature that has been~~
11 ~~assigned to consider the proposal and the joint legislative budget committee~~
12 ~~before the committee considers the proposal~~ PURSUANT TO SECTION 20-183. The
13 report shall assess both the social and financial impacts of such coverage,
14 including the effectiveness of the treatment or service proposed, according
15 to the factors prescribed in section 20-182. ~~The legislature is not~~
16 ~~responsible for the cost of preparing the report.~~

17 B. THE LEGISLATIVE PROPOSAL SHALL NOT BE PLACED ON THE CALENDAR FOR
18 THE COMMITTEE OF THE WHOLE UNTIL THE LEGISLATIVE COMMITTEE OF REFERENCE
19 DELIVERS ITS REPORT AS PRESCRIBED BY SECTION 20-183.

20 Sec. 2. Section 20-182, Arizona Revised Statutes, is amended to read:

21 20-182. Factors for assessing impact; certification of report

22 A. To the extent that information is available, the report prescribed
23 by section 20-181 shall include, but not be limited to, the following:

24 1. The social impact:

25 (a) The extent to which the treatment or service is generally utilized
26 by a significant portion of the population.

27 (b) The extent to which the insurance coverage is already generally
28 available.

29 (c) If coverage is not generally available, the extent to which the
30 lack of coverage results in persons avoiding necessary health care
31 treatments.

32 (d) If the coverage is not generally available, the extent to which
33 the lack of coverage results in unreasonable financial hardship to a patient.

34 (e) The level of public demand for the treatment or service.

35 (f) The level of public demand for insurance coverage of the treatment
36 or service.

37 (g) The level of interest of collective bargaining agents in
38 negotiating privately for inclusion of this coverage in group contracts.

39 2. The financial impact:

40 (a) The extent to which the coverage will increase or decrease the
41 cost of the treatment or service.

42 (b) The extent to which the coverage will increase the appropriate use
43 of the treatment or service.

44 (c) The extent to which the mandated treatment or service will be a
45 substitute for a more expensive treatment or service.

1 (d) The extent to which the coverage will increase or decrease the
2 administrative expenses of insurers and the premium and administrative
3 expenses of policyholders.

4 (e) The impact of this coverage on the total cost of health care.

5 B. An actuary who is a member of the American academy of actuaries OR
6 THE AUDITOR GENERAL shall prepare the financial impact analysis required by
7 subsection A, paragraph 2 of this section and certify that the analysis is
8 consistent with accepted actuarial techniques.

9 C. The report required by section 20-181 shall address the specific
10 language of the proposed mandate. A report on a similar proposal in a
11 different jurisdiction is insufficient and does not meet the requirements of
12 section 20-181.

13 D. An organization, ~~or~~ individual OR LEGISLATOR that does not submit a
14 report required by section 20-181 is not subject to any civil sanction or
15 criminal penalty.

16 Sec. 3. Title 20, chapter 1, article 3, Arizona Revised Statutes, is
17 amended by adding section 20-183, to read:

18 20-183. Report procedures and deadlines

19 A PERSON OR A LEGISLATOR ADVOCATING A LEGISLATIVE PROPOSAL PURSUANT TO
20 SECTION 20-181 SHALL SUBMIT A WRITTEN REPORT EXPLAINING THE FACTORS
21 PRESCRIBED IN SECTION 20-182 TO THE JOINT LEGISLATIVE AUDIT COMMITTEE
22 ESTABLISHED BY SECTION 41-1279. THE REPORT MUST BE SUBMITTED ON OR BEFORE
23 SEPTEMBER 1 BEFORE THE START OF THE LEGISLATIVE SESSION FOR WHICH THE
24 LEGISLATION IS PROPOSED. THE JOINT LEGISLATIVE AUDIT COMMITTEE SHALL ASSIGN
25 THE WRITTEN REPORT TO THE APPROPRIATE LEGISLATIVE COMMITTEE OF REFERENCE.
26 THE LEGISLATIVE COMMITTEE OF REFERENCE SHALL HOLD AT LEAST ONE HEARING AND
27 TAKE PUBLIC TESTIMONY AFTER RECEIVING THE REPORT. THE LEGISLATIVE COMMITTEE
28 OF REFERENCE SHALL STUDY THE WRITTEN REPORT AND DELIVER A REPORT OF ITS
29 RECOMMENDATIONS TO THE JOINT LEGISLATIVE AUDIT COMMITTEE, THE SPEAKER OF THE
30 HOUSE OF REPRESENTATIVES, THE PRESIDENT OF THE SENATE, THE GOVERNOR AND THE
31 DIRECTOR OF THE DEPARTMENT ON OR BEFORE DECEMBER 1 OF THE YEAR IN WHICH THE
32 REPORT IS SUBMITTED.