



STATE OF ARIZONA  
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY  
GOVERNOR

EXECUTIVE OFFICE

April 26, 2019

The Honorable Katie Hobbs  
Secretary of State  
1700 W. Washington, 7<sup>th</sup> Floor  
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 1st Regular Session, which I signed on April 26th, 2019:

H.B. 2281 liquor omnibus (Weninger)  
H.B. 2378 adoption; child welfare; dependency (Barto)  
H.B. 2494 health insurers; notice; providers (Cobb)

Sincerely,

Douglas A. Ducey  
Governor  
State of Arizona

cc: Senate Secretary  
Chief Clerk of the House of Representatives  
Arizona News Service

Senate Engrossed House Bill

**FILED**  
**KATIE HOBBS**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fifty-fourth Legislature  
First Regular Session  
2019

**CHAPTER 138**  
**HOUSE BILL 2494**

AN ACT

AMENDING TITLE 20, CHAPTER 2, ARTICLE 1, ARIZONA REVISED STATUTES, BY  
ADDING SECTIONS 20-241 AND 20-242; 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. Title 20, chapter 2, article 1, Arizona Revised  
3 Statutes, is amended by adding sections 20-241 and 20-242, to read:

4 20-241. Contracts to provide health care services; form of  
5 payment; notice; explanation of benefits;  
6 definitions

7 A. A CONTRACT BETWEEN A HEALTH INSURER AND A HEALTH CARE PROVIDER  
8 THAT IS ISSUED, AMENDED OR RENEWED ON OR AFTER JANUARY 1, 2020 TO PROVIDE  
9 HEALTH CARE SERVICES TO THE HEALTH INSURER'S ENROLLEES MAY NOT RESTRICT  
10 THE METHOD OF PAYMENT FROM THE HEALTH INSURER TO THE HEALTH CARE PROVIDER  
11 IN WHICH THE ONLY ACCEPTABLE PAYMENT METHOD IS A CREDIT CARD PAYMENT.

12 B. IF A HEALTH INSURER INITIATES OR CHANGES PAYMENTS TO A HEALTH  
13 CARE PROVIDER USING ELECTRONIC FUNDS TRANSFER PAYMENTS, INCLUDING VIRTUAL  
14 CREDIT CARD PAYMENTS, THE HEALTH INSURER SHALL DO THE FOLLOWING:

15 1. NOTIFY THE HEALTH CARE PROVIDER IF ANY FEE IS ASSOCIATED WITH A  
16 PARTICULAR PAYMENT METHOD.

17 2. ADVISE THE HEALTH CARE PROVIDER OF THE AVAILABLE METHODS OF  
18 PAYMENT AND PROVIDE CLEAR INSTRUCTIONS TO THE HEALTH CARE PROVIDER AS TO  
19 HOW TO SELECT AN ALTERNATIVE PAYMENT METHOD.

20 3. REMIT OR ASSOCIATE WITH EACH PAYMENT THE EXPLANATION OF  
21 BENEFITS.

22 C. A HEALTH INSURER THAT INITIATES OR CHANGES PAYMENT TO A HEALTH  
23 CARE PROVIDER USING THE HEALTH CARE ELECTRONIC FUNDS TRANSFERS AND A  
24 REMITTANCE ADVICE TRANSACTION PURSUANT TO 45 CODE OF FEDERAL REGULATIONS  
25 SECTIONS 162.1601 AND 162.1602 MAY NOT CHARGE A FEE SOLELY TO TRANSMIT THE  
26 PAYMENT TO A HEALTH CARE PROVIDER UNLESS THE HEALTH CARE PROVIDER HAS  
27 CONSENTED TO THE FEE. A HEALTH CARE PROVIDER AGENT MAY CHARGE REASONABLE  
28 FEES WHEN TRANSMITTING AN ELECTRONIC FUNDS TRANSFER OR AUTOMATIC CLEARING  
29 HOUSE RELATED TO TRANSACTION MANAGEMENT, DATA MANAGEMENT, PORTAL SERVICES  
30 AND OTHER VALUE-ADDED SERVICES ABOVE AND BEYOND THE BANK TRANSMITTAL.

31 D. FOR THE PURPOSES OF THIS SECTION:

32 1. "ELECTRONIC FUNDS TRANSFER PAYMENT" MEANS A PAYMENT BY ANY  
33 METHOD OF ELECTRONIC FUNDS TRANSFER OTHER THAN A STANDARD HEALTH CARE  
34 ELECTRONIC FUNDS TRANSFERS AND REMITTANCE ADVICE TRANSACTION PURSUANT TO  
35 45 CODE OF FEDERAL REGULATIONS SECTIONS 162.1601 AND 162.1602.

36 2. "HEALTH CARE PROVIDER" MEANS A PERSON WHO IS LICENSED,  
37 REGISTERED OR CERTIFIED AS A HEALTH CARE PROFESSIONAL UNDER TITLE 32 OR A  
38 LABORATORY OR DURABLE MEDICAL EQUIPMENT PROVIDER THAT FURNISHES SERVICES  
39 TO AN ENROLLEE AND THAT SEPARATELY BILLS THE ENROLLEE FOR THE SERVICES.

40 3. "HEALTH CARE PROVIDER AGENT" MEANS A PERSON OR ENTITY THAT  
41 CONTRACTS WITH A HEALTH CARE PROVIDER ESTABLISHING AN AGENCY RELATIONSHIP  
42 TO PROCESS BILLS FOR SERVICES PROVIDED BY THE HEALTH CARE PROVIDER UNDER  
43 THE TERMS AND CONDITIONS OF A CONTRACT BETWEEN THE AGENT AND HEALTH CARE  
44 PROVIDER, WHICH MAY ALLOW THE AGENT TO SUBMIT BILLS, REQUEST  
45 RECONSIDERATION, AND RECEIVE REIMBURSEMENT.

1 4. "HEALTH INSURER" MEANS A DISABILITY INSURER, GROUP DISABILITY  
2 INSURER, BLANKET DISABILITY INSURER, HEALTH CARE SERVICES ORGANIZATION,  
3 HOSPITAL SERVICE CORPORATION, MEDICAL SERVICE CORPORATION OR HOSPITAL,  
4 MEDICAL, DENTAL AND OPTOMETRIC SERVICE CORPORATION AND INCLUDES THE HEALTH  
5 INSURER'S DESIGNEE.

6 20-242. Health insurers; provider networks; notice; options;  
7 definitions

8 A. IF A HEALTH INSURER ACQUIRES THE PROVIDER NETWORK OF ANOTHER  
9 HEALTH INSURER, THE HEALTH INSURER THAT IS CONTRACTED WITH A HEALTH CARE  
10 PROVIDER IN THE NETWORK THAT HAS BEEN ACQUIRED SHALL NOTIFY, CONSISTENT  
11 WITH THE NOTIFICATION PROVISIONS OF THE PROVIDER CONTRACT, EACH HEALTH  
12 CARE PROVIDER OF THE ACQUIRED NETWORK.

13 B. A HEALTH CARE PROVIDER THAT IS IN A PROVIDER NETWORK THAT IS  
14 ACQUIRED MAY DO ANY OF THE FOLLOWING:

15 1. CONTINUE THE PROVIDER RELATIONSHIP WITH THE HEALTH INSURER THAT  
16 ACQUIRED THE PROVIDER NETWORK.

17 2. TERMINATE THE PROVIDER RELATIONSHIP WITH THE HEALTH INSURER THAT  
18 ACQUIRED THE PROVIDER NETWORK IN A TIME AND MANNER CONSISTENT WITH THE  
19 CONTRACT BETWEEN THE HEALTH CARE PROVIDER AND THE HEALTH INSURER THAT IS  
20 CONTRACTED WITH THE HEALTH CARE PROVIDER.

21 3. ENTER INTO A CONTRACT DIRECTLY WITH THE HEALTH INSURER THAT  
22 ACQUIRED THE PROVIDER NETWORK.

23 C. THIS SECTION DOES NOT APPLY TO ACQUISITIONS OR ARRANGEMENTS THAT  
24 ARE DISCLOSED IN THE NETWORK CONTRACT BETWEEN A HEALTH CARE PROVIDER AND A  
25 HEALTH INSURER AND TO WHICH THE HEALTH CARE PROVIDER HAS ALREADY AGREED.

26 D. FOR THE PURPOSES OF THIS SECTION:

27 1. "HEALTH CARE PROVIDER" MEANS A PERSON WHO IS LICENSED,  
28 REGISTERED OR CERTIFIED AS A HEALTH CARE PROFESSIONAL UNDER TITLE 32 OR A  
29 LABORATORY OR DURABLE MEDICAL EQUIPMENT PROVIDER THAT FURNISHES SERVICES  
30 TO AN ENROLLEE AND THAT SEPARATELY BILLS THE ENROLLEE FOR THE SERVICES.

31 2. "HEALTH INSURER" MEANS A DISABILITY INSURER, GROUP DISABILITY  
32 INSURER, BLANKET DISABILITY INSURER, HEALTH CARE SERVICES ORGANIZATION,  
33 HOSPITAL SERVICE CORPORATION, MEDICAL SERVICE CORPORATION OR HOSPITAL,  
34 MEDICAL, DENTAL AND OPTOMETRIC SERVICE CORPORATION AND INCLUDES THE HEALTH  
35 INSURER'S DESIGNEE.

**APPROVED BY THE GOVERNOR APRIL 26, 2019.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 26, 2019.**

Passed the House February 26, 20 19

Passed the Senate April 15, 20 19

by the following vote: 60 Ayes,

by the following vote: 28 Ayes,

0 Nays, 0 Not Voting

0 Nays, 2 Not Voting

[Signature]  
Speaker of the House

[Signature]  
President of the Senate

Pro Tempore

[Signature]  
Chief Clerk of the House

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

H.B. 2494

HOUSE CONCURS IN SENATE  
AMENDMENTS AND FINAL PASSAGE

April 22, 2019,

by the following vote: 58 Ayes,

0 Nays, 2 Not Voting

[Signature]  
Speaker of the House

[Signature]  
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

22nd day of April, 2019,

at 4:00 o'clock P M.

[Signature]  
Secretary to the Governor

Approved this 26th day of

April, 2019,

at 2:12 o'clock P M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 26 day of April, 2019,

at 5:14 o'clock P M.

[Signature]  
Secretary of State

H.B. 2494