



**ARIZONA STATE SENATE**  
*Fiftieth Legislature, Second Regular Session*

**AMENDED**  
FACT SHEET FOR H.B. 2625

~~domestic relations; disposition of property~~  
(NOW: insurers; healthcare coverage; religious beliefs)

Purpose

Modifies certain insurance provider statutes related to religious beliefs and healthcare coverage.

Background

Currently, a healthcare services organization, group disability policy, blanket disability policy, accountable health benefits plan or contract between a corporation and its subscribers that provides coverage for prescription drugs and outpatient healthcare services is required to additionally provide coverage for outpatient contraceptive services and any prescribed drug or device approved by the United States Food and Drug Administration (FDA) for use as a contraceptive. According to statute, a religious employer whose religious tenets prohibit the use of prescribed contraceptive methods is permitted to obtain a health care insurance contract, policy or plan that excludes coverage for FDA approved contraceptive methods if certain requirements are met. Religious employers are prohibited from discriminating against an employee who independently chooses to obtain insurance coverage or prescriptions for contraceptives from another source (A.R.S. §§ 20-826, 20-1057.08, 20-1402, 20-1404, 20-2329).

A religious employer is statutorily defined as an entity that is a nonprofit organization that primarily employs and serves persons who share the religious tenets of the entity. In order to obtain an insurance contract, policy or plan that excludes coverage for FDA approved contraceptive methods, a religious employer is required to submit a written affidavit to the appropriate corporation, healthcare services organization, insurer or accountable health plan, stating that it is a religious employer. Prior to enrolling in a plan or issuing a policy that excludes coverage of prescription contraceptive methods, a religious employer invoking the exemption is further required to provide prospective subscribers a written notice stating that the religious employer refuses to cover all FDA approved contraceptive methods for religious reasons. The exemption does not exclude coverage for prescription contraceptive methods ordered by a health care provider with prescriptive authority for medical indications other than to prevent an unintended pregnancy. The entity offering the policy or plan is permitted to require the subscriber, enrollee or insured to first pay for the prescription and then submit a claim along with evidence that the prescription is for a non-contraceptive purpose. Further, the entity is permitted to charge an administrative fee for handling such claims (A.R.S. §§ 20-826, 20-1057.08, 20-1402, 20-1404, 20-2329).

There is no anticipated fiscal impact to the state General Fund.

Provisions

1. Stipulates that a subscription contract, accountable health plan, group disability policy, blanket disability policy or evidence of coverage does not fail to meet the prescription drug coverage requirements related to contraceptive prescription drugs, devices or outpatient services, if failure to provide such coverage is for the following reasons:
  - a) providing or paying for such items or services is contrary to the religious beliefs of the employer, hospital service corporation, medical service corporation, hospital, medical, dental and optometric service corporation, insurer, accountable health plan, healthcare services organization or other entity offering the plan; or
  - b) the coverage is contrary to the religious beliefs of the purchaser of the coverage.
2. Requires, if an objection is asserted, that a written affidavit stating the objection must be filed with the corporation, health care services organization, accountable health plan or insurer.
3. Directs the corporation, health care services organization, accountable health plan or insurer to retain the affidavit for the duration and any renewals of the contract, plan or policy.
4. Specifies that coverage is not excluded 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.
5. Permits a hospital service corporation, medical service corporation, hospital, medical, dental and optometric service corporation, healthcare services organization, insurer, accountable health plan, employer or other entity offering the plan or policy to state religious beliefs in its affidavit that require the insured, enrollee or subscriber to first pay for the prescription and then submit a claim, along with evidence that the prescription is not for a purpose covered by the objection.
6. Permits a hospital service corporation, medical service corporation, hospital, medical, dental and optometric service corporation, accountable health plan, insurer or health care services organization to charge an administrative fee for handling claims related to an objection.
7. Eliminates the definition of *religious employer* and eliminates language that prohibits a religious employer from discriminating against an employee who independently chooses to obtain insurance coverage or prescriptions for contraceptives from another source.
8. States that protections against employment discrimination, as prescribed in federal and state law, are not limited or restricted by the legislation.

