



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

**FINAL 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. Permits a religiously affiliated employer to require a corporation, health care services organization, insurer or accountable health plan to provide a contract, evidence of coverage, group disability policy, blanket disability policy or health benefits plan that excludes coverage of specified required contraceptive items or services, if providing or paying for such items or services is contrary to the religious beliefs of the religiously affiliated employer.
2. Requires, if an objection is asserted, that a religiously affiliated employer file a written affidavit stating the objection with the corporation, health care services organization, accountable health plan or insurer.
3. Directs a corporation, health care services organization, insurer or accountable health plan to issue a contract, evidence of coverage, group disability policy, blanket disability policy or health benefits plan that excludes coverage for specified required contraceptive items or services, upon receipt of the religiously affiliated employer's written affidavit.
4. 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.
5. 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.
6. Permits a religiously affiliated employer 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.
7. 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.
8. 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.
9. States that protections against employment discrimination, as prescribed in federal and state law, are not limited or restricted by the legislation.

10. States that a religiously affiliated employer is not authorized to obtain an employee's protected health information or to violate the Health Insurance Portability and Accountability Act (HIPAA) of 1996 or any related federal regulations.
11. Removes language related to the validity of certain health care contracts, policies or plans which fail to provide coverage of specified contraceptive items or services as required.
12. Defines *religiously affiliated employer*.
13. Contains an applicability clause.
14. Makes technical and conforming changes.
15. Becomes effective on the general effective date.

Revision

- Modifies the provision related to religious employers.

Amendments Adopted by Senate Committee of the Whole

- Specifies that *corporation* refers to a hospital service corporation, medical service corporation, or a hospital, medical, dental and optometric service corporation.
- States that the legislation does not authorize an employer to obtain an employee's protected health information, violate the Health Insurance Portability and Accountability Act (HIPAA) of 1996 or any related federal regulations.
- States that protections against employment discrimination, as prescribed in federal and state law, are not limited or restricted by the legislation.
- Removes *sponsor, issuer and beneficiary* from language, which permits an entity offering an insurance plan, or purchaser of an insurance plan, to fail to provide required coverage of specific contraceptive items or services based on religious beliefs.
- Adds an applicability clause that specifies that the legislation applies to contracts, policies and evidences of coverage issued or renewed after the effective date of the legislation.
- Makes technical and conforming changes.

Amendments Adopted by Conference Committee

- Removes proposed statutory language that permits certain healthcare insurance providers or purchasers of healthcare coverage to object to providing or paying for coverage of specific required contraceptive items or services based on religious beliefs.
- Permits a religiously affiliated employer to object to providing or paying for healthcare coverage of specific required contraceptive items or services based the on religious beliefs of the religiously affiliated employer.
- Defines *religiously affiliated employer*.
- Permits a religiously affiliated employer to require certain healthcare insurance providers to provide a contract, evidence of coverage, group disability policy, blanket disability policy or health benefits plan that excludes coverage of specific required contraceptive items or services.
- Requires certain healthcare insurance providers to issue a contract, evidence of coverage, group disability policy, blanket disability policy or health benefits plan that excludes coverage of specific required contraceptive items or services, upon receipt of the religiously affiliated employer’s written affidavit.
- Removes language related to the validity of certain health care contracts, policies or plans which fail to provide coverage of specific required contraceptive items.

House Action

JUD            2/16/12    DPA/SE        6-3-0  
 3<sup>rd</sup> Read       3/01/12                    39-18-2-1  
 Final Read    4/19/12                    36-21-2-1

Senate Action

BI            3/07/12    W/D  
 JUD           3/12/12    DP            6-2-0  
 3<sup>rd</sup> Read       3/28/12                    13-17-0  
 3<sup>rd</sup> Read 2    4/12/12                    17-13-0  
 Final Read    4/25/12                    19-9-2

Signed by the Governor 5/14/12  
 Chapter 337

Prepared by Senate Research  
 June 6, 2012  
 GK/CS/tf