



Renew Your Membership

February 2021 Legislative Newsletter

Register for 2021 AAHU Day
at the Capitol

AAHU Newsletter

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Push for 2020 Election Audit Causes Rift Within Senate GOP

Since mid-December, Senate Republicans have been trying to access ballots and other election materials from Maricopa County to conduct an audit of the 2020 election results. They have argued an audit is necessary to help boost voter confidence in the state's future elections; however, the Maricopa County Board of Superiors has maintained the Arizona Senate does not have the authority to make such a request.

On February 8th, Republican Senator Paul Boyer voted against the resolution by Senate Republicans to hold the Maricopa County Board of Supervisors in contempt for failure to turn over ballots, killing the resolution.

The decision by Boyer to vote against his party has drawn the ire of a Senate Republican Caucus that already maintains some lingering hard feelings toward the Senator due to his holdout on the GOP backed budget a couple years ago. That being said, Republican members will have to tread lightly when dealing with Boyer. With only a one vote majority, they will need his vote to pass any partisan legislation moving forward.

Legislative Bill Tracking

Health Insurance

HB 2119 Health Care Insurance; Amendments (*Bolick*) and SB 1075 Health Care Insurance; Amendments (*Livingston*): HB 2119 passed out of the House, 59-0 on Monday afternoon and 59-0 in the Senate (substituted for SB 1075) on Thursday. HB 2119 cleanups and

modernizes various health insurance provisions. Additionally, the bill applies the holding company act to Blue Cross Blue Shield of AZ. HB 2119 also add BCBS to the PPO provision concerning assignment of benefits.

HB 2454 Telehealth; Health Care Providers; Requirements (Cobb):

HB 2454 passed out of the House 37-22 on Thursday afternoon. While the bill was favorably amended in committee to fix a number of problematic areas, including disclosure of charges and other parity concerns, there remains some significant issues including the addition of a troubling floor amendment dealing with network adequacy. HB 2454 requires, *by January 1, 2021*, all contracts issued by specified health insurers to provide coverage for health care services that are provided through telehealth. Under the bill, insurers are required to reimburse health care providers at the same level of payment for equivalent services whether provided through telehealth or in-person care. The definition of "telehealth" is expanded to include the use of an audio-only telephone encounter between an insured and a health care provider if specified conditions are met. A health care provider regulatory board or agency is prohibited from enforcing any statute, rule or policy that would require a health care provider, who is licensed by that board or agency, and who is authorized to write prescriptions, to require an in-person examination of the patient before issuing a prescription, except as specifically prescribed by federal law. Adds the definition for telehealth and establishes the 22-member Telehealth Advisory Committee on Telehealth Best Practices.

HB 2277 Insurance; Study; Reinsurance Programs; Appropriation (Butler):

HB 2277 will be heard in House Commerce on Tuesday afternoon. The bill requires the Department of Insurance and Financial Institutions to contract with a qualified health care consultant or actuary to conduct a study regarding establishing a reinsurance program in Arizona for individual and small group markets using a state innovation waiver authorized by the federal PPACA. The proposed legislation requires the consultant or actuary to complete the report by July 1, 2022 and the Department must submit it to the Governor by August 1st of that year.

SB 1270 Insurance; Prescription Drugs; Step Therapy (Barto):

SB 1270 is being held in the Senate Rules Committee. This bill outlines requirements for health care insurers that implement a step therapy protocol for prescription drugs. Requires insurers to provide a process for step therapy exemption requests and sets deadlines for request responses.

SB 1377 Civil Liability; Public Health Pandemic (Leach):

SB 1377 is waiting Senate Rules hearing . This bill states if the Governor declares a state of emergency for a public health pandemic, a person or "provider" (defined) that acts in good faith to protect a person or the public from injury from the pandemic is not liable for damages in any civil action for any injury, death or loss to person or property that is based on a claim that the person or provider failed to protect the person or the public from

the effects of the pandemic, unless it is proven by clear and convincing evidence that the person or provider failed to act or acted with willful misconduct or gross negligence.

SB 1679 Health Insurers; Provider Network; Denial (*Pace*): SB 1679 will be heard in Senate Finance on Wednesday morning. The bill stipulates if a health care provider requests to join a health care insurer's provider network and the insurer denies the request, the insurer is required to give the provider a written response that includes an explanation of the basis of the denial, detailed instructions that explain the process to file an appeal, and other specified information. Under SB 1679, a health care insurer is prohibited from denying a request to join the insurer's provider network based solely on the insurer's perception that additional network health care providers are not needed.

SB 1682 Health Care Providers; Telemedicine (*Pace*): SB 1682 will be heard in Senate Health and Human Services on Wednesday morning. The bill alters the definition of "unprofessional conduct" by removing the requirement for telemedicine encounters to have a real-time audio and video capability and replaces it with a requirement for a telemedicine encounter to follow specified state and federal law.

Budget/Economic Update

Budget FY 2022 (beginning July 1, 2021)

Governor Ducey released his FY 2022 budget on January 15th; at \$12.6 billion his plan represents the largest spending package in state history. By comparison, last year's Executive Budget proposal called for \$12.3 billion in General Fund spending but was pared back to \$11.8 billion as part of a so-called "skinny budget" adopted in the early days of the COVID-19 pandemic.

In response to Governor Ducey's budget proposal, the AZ Senate released their own budget plan late January. The Senate's \$12.9 billion proposal differs from the Governor on a number of fronts, including tax reform, a pay raise for all state employees, and full funding for virtual students.

Legislative leadership was receptive to many parts of the Governor's proposal; however, many Senators do not share his enthusiasm for broad income tax reform. While the Governor's budget calls for \$1.2 billion in income tax reductions over the next three years, Senate Republicans are calling for a more targeted approach to tax relief, directed at assisting the business community (around \$450 million in tax cuts).

Other areas where the Senate's proposal contrasts with the Governor's budget is how to handle formula decreases in school funding caused by declining enrollment. The Governor's budget predicts a gap of \$389 million, which he intends to repurpose as remediation grants for

schools. However, the Senate proposal would ensure schools receive full funding for remote students for 2020-2021.

Additionally, the Senate budget also calls for an across-the-board 5% pay increase for all state employees. State employee salaries are about 22% below market rate, according to a 2019 report by the Arizona Department of Administration.

The Senate's plan also sets aside \$200 million for various highway projects and \$300 million to reduce the state's \$2 billion unfunded public safety pension liability.

Once approved by both chambers, budget bills are sent to the Governor. The Governor may either sign the bills, let them go into effect without a signature, or veto the bills. The Governor may also line-item veto appropriations. If the Governor chooses to veto or line-item veto a bill, the Legislature may override the veto before adjournment with a 2/3rd vote of each chamber. You may remember our session in 2019; the Legislators and the Governor were at an impasse on the FY2020 budget and the session was one of the longest on record, 134 days.

Joint Legislative Budget Committee

Earlier this month, the JLBC reported Arizona's economic outlook continues to be very promising despite the pandemic. They project net revenue growth rates of 4.9% in FY 2021, 3.9% in FY 2022, 4.4% in FY 2023 and 4.3% in FY 2024. They anticipate \$300 million to \$400 million in new available resources for ongoing initiatives and \$1.3 billion to \$1.6 billion in new available resources for one-time initiatives. Baseline spending is projected to increase by 5.1% from the enacted FY 2021 budget to FY 2022, although actual FY 2021 spending was under budget due to lower K-12 enrollment and federal COVID-19 assistance. JLBC staff noted that the \$32 billion estimated to come into Arizona from various federal stimulus programs has contributed to strong revenue growth that the state has recently seen. However, they did note that underlying economic growth appears to be strong, with Arizona Personal Income excluding federal payments increasing by 3.4% in the first quarter of FY 2021.

If you have any questions please let us know:

2020-2021 AAHU Legislative Co-Chairs

Peter Rowe and Jennifer Farrell

AAHU MEMBERSHIP

Membership is the lifeblood of any organization, the National Association of Health Underwrites is no exception.

AAHU is pleased to recognize our newest Arizona NAHU members;

- **Greater Phoenix**
 - Michael Taylor, Bright Benefits
 - Kevin Knudsen, Cigna
 - Branson Cobb, CBIZ
 - Jeremy Skeeters, CBIZ
 - Chase Case, CBIZ
- **Southern Arizona**
 - Netta Garcia, TDA

Charlene Hogeland
2020-2021 Membership Chair

ATTEND THE ANNUAL AAHU DAY AT THE CAPITOL Virtually this year

First 50 registrants get a \$25 lunch Gift Card and \$20 Total Wine Gift Card

[Information about 2021 AAHU Day at the Capitol](#)

2021 DATC Tentative Agenda

When?

Tuesday, March 9, 2021
8:45 AM to 2:00 PM MST

**Happy/Social Hour sponsored
by GPAHU and SAAHU.**
Stay tuned for details.

Where?

This will be a virtual event.

What does it cost?

\$0.00 – Members, including CE
\$25.00 – Non-Members

[Register Here!!!](#)

Why should I attend Day-at-the-Capitol?

DATC is an opportunity to establish relationships with your legislators as a community under **Arizona Association of Health Underwriters (AAHU)**.

- This relationship is important to make sure our legislators are hearing input from individuals in the industry with experience.
- AAHU has direct input on the formation of bills which impact our industry.
- Hear directly from sponsoring legislators on bills impacting our industry.

How will the day work, what can I expect?

The morning will be a conference consisting of:

- Arizona Legislators with pending bills on employer liability protections, cost sharing ministries, and larger omnibus bills for the bills shelved in 2020 due to the National Emergency.
- Representatives from our carrier partners to discuss how current legislation could change the way we do business.
- Representative from Governor Ducey's Office on his 2021 initiatives.
- Compliance items impacting your clients.
- Ethics CE Course.

How do I register?

You may register on the AAHU website; www.azahu.org. Registration to the first 50 entrants will receive a lunch coupon from a delivery service (GrubHub, DoorDash, UberEats, etc.) and a Total Wine gift card.

Who do I call with questions

Jennifer Farrell

Co-Chair, Legislation AAHU
602-535-1130

Peter Rowe

Co-Chair, Legislation AAHU
602-726-6284



How Does HUPAC Make a Difference?

HUPAC allows NAHU members to combine their resources and strength to make a difference where it will have the greatest impact for our colleagues, our clients and, above all, our country. It is imperative that NAHU members work together to counteract the

strong and united forces of special-interest groups that oppose the free enterprise system of health care.

There's no better time to become a HUPAC contributor with the upcoming elections.

Monthly contribution levels starting at \$12 a month [Donate Here](#), click donate to start contributions. Not sure if you have donated or not, contact Andrea today for help.

Lori Crandall

2020-2021 AAHU HUPAC Chair

Upcoming Events

All Future Monthly Events Have Been Moved to Virtual Environment.

Look for GPAHU and SAAHU Announcements for Dates, Time and to Register- or also check local Websites:



Join us for the SAAHU Golf Tournament on March 26, 2021 at Tubac Resort & Spa.

Shot Gun Tee time at 8:30 am

Click below, explore SAAHU for more information and to register.

[Explore SAAHU](#)



Join us for the GPAHU Golf Tournament on March 3, 2021 at Arizona Biltmore Golf Club, Links Course.

Registration at 7:00 am
Tee time at 8:00 am

Click below, explore GPAHU for more information and to register.

[Explore GPAHU](#)

Did you know NAHU has a Podcast?

The Healthcare Happy Hour podcast provides an in-depth review of the most recent trends in the health insurance industry as well as any actions being taken by Congress and the Trump Administration. The podcast is posted every Friday on iTunes, Spotify and Stitcher. If people like what they hear, they can share the podcast with friends and clients. Please subscribe and listen today!



Make sure to register for NAHU's podcasts on Stitcher or iTunes.



Is 2021 your year to earn a designation?

Enroll in the NAHU Registered Employee Benefits Consultant (REBC) designation - the most prestigious program in the employee benefits industry.

REBC has newly revised requirements and for those of you that have already been earning NAHU certifications, you may be closer to earning your REBC designation, than you think.

Earning the Registered Employee Benefits Consultant (REBC) designation elevates your credibility as a professional. The field of employee benefits continues to evolve rapidly. A year does not go by without new government regulations, new or modified coverages, and new techniques for controlling benefit costs. To best serve their clients, professionals need to have a current

understanding of the provisions, advantages, and limitations associated with each type of benefit or program as a method for meeting economic security. The designation program analyzes group benefits with respect to the ACA environment, contract provisions, marketing, underwriting, rate making, plan design, cost containment, and alternative funding methods. The largest portion of this course is devoted to group medical expense plans that are a major concern to employers, as well as to employees. The remainder of course requirements include electives on topics serving various markets based on a broker's client needs.

NAHU's REBC program helps you:

- Master the regulations and methodologies governing benefits management
- Understand the main features of commonly provided group insurance plans
- Develop a keen grasp of the latest federal healthcare laws and how clients can most effectively comply with them
- Adhere to industry-leading ethical business practices

For more information click [HERE!](#)

Look for information on 2021 Sponsorship Opportunities

AAHU 2020 Sponsors

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GOLD- CARRIER SPONSORS



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**Thank you again for your membership and participation in
your professional association.**

Your AAHU Communication Chair

Please note: The non-deductible portion the annual dues for 2020 will be 37% of
the State dues.

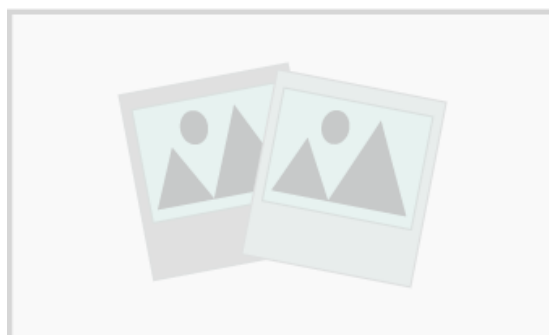
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