



**ARIZONA STATE SENATE**  
*Fifty-Sixth Legislature, Second Regular Session*

FACT SHEET FOR S.B. 1250

AHCCCS; claims

Purpose

Prohibits a contracted health care insurer from denying a claim for payment submitted by the state based on a lack of prior authorization if the Arizona Health Care Cost Containment System (AHCCCS) authorized the item or service.

Background

AHCCCS serves as Arizona's Medicaid agency which offers qualifying Arizona residents access to healthcare programs. AHCCCS's duties include: 1) developing and implementing a county-by-county system that includes access to hospitalization and medical services for members; 2) contracting, overseeing, reviewing and providing technical assistance to contactors; 3) developing a system of accounts and controls for AHCCCS to prevent the unnecessary use of covered health and medical services; 4) assisting in the formation of medical care consortiums to provide covered medical services for a county; 5) establishing and managing a system to ensure the quality of care delivered by AHCCCS; 6) establishing and managing a system to prevent fraud by members, subcontractors, contractors and noncontracting providers; 7) coordinating benefits to any member; 8) developing and maintaining outlined programs and systems; and 9) establishing the eligibility process for a Medicare low-income subsidy ([A.R.S. § 36-2903](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Prohibits a healthcare insurer from denying a claim submitted by the state for lack of prior authorization if AHCCCS authorized the item or service.
2. Specifies that the claim denial prohibition does not expand the scope of coverage, benefits or rights under the policy issued by the health care insurer.
3. Requires a health care insurer to respond, within 60 days, to any inquiries from the Director of AHCCCS regarding a submitted claim, as prescribed.
4. Removes the requirement that AHCCCS health care insurer compliance reports be submitted to the Director of the Arizona State Library, Archives and Public Records.
5. Makes technical and conforming changes.
6. Becomes effective on the general effective date.