CRC BENEFITS

THRIVE
Workplace Benefits
Dedicated to Development and Success

ARIZONA

Regulatory Compliance and Resources by State

STATE CONTINUATION

Covered Employers: Arizona Employers with fewer than 20 employees

Qualified Beneficiaries: Employees and dependents who were covered by the plan for at least 3 months prior to a qualifying event

Qualifying Events:

- Termination (except for gross misconduct)
- Divorce or legal separation
- Loss of dependent status
- Employee enrolls in Medicare

COBRA Duration:

- Employee death 18 months; 36 months if there is a second qualifying event

Maximum Premium Amount: 105% of the premium; 150% during disability duration

Paid Family Leave: Only FMLA under Federal law

PAID SICK LEAVE

What are the details of Arizona's Paid Sick Leave Law?

Here are the basics:

Arizona employees will begin accruing paid sick time beginning on July 1, 2017 or on the employee's start date, whichever comes later.

Employees may use their accrued sick time for themselves or to take care of family members.

Sick leave can be used for the following:

- Medical care or mental or physical illness, injury, or health conditions
- Circumstances relating to public health emergency or communicable disease exposure
- Absence due to domestic violence, sexual violence, abuse, or stalking

For employers with 15 or more employees:

- Employees accrue 1 hour of paid sick time for every 30 hours worked.
- Employees may not use more than 40 hours of paid sick leave per year, unless the employer allows a higher limit.

For employers with fewer than 15 employees:

- Employees accrue 1 hour of paid sick time for every 30 hours worked.
- Employees may not use more than 24 hours of paid sick leave per year, unless the employer allows a higher limit.

Employees begin accruing earned paid sick time upon hire. However, employers may require that employees hired after July 1, 2017 wait 90 days after their date of hire before using it.

As an alternative to accrual, employers may grant the total annual amount for the year (24 or 40 hours) in a lump sum on July 1st, or on the employee's 90th day of employment, and then annually thereafter. While you still have to track sick time used and paid out, this avoids the complexity of tracking accrual amounts.

Employees may request to use sick time orally, in writing, by electronic means, or by any other means acceptable to the employer.

If the employee has unused earned sick time at the end of the year, up to the employee's total yearly eligibility amount

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(24 or 40 hours) must be rolled over into the next year. The only exception to this is if the employer is using the lump sum method of providing the full amount of earned sick time at the beginning of the year. If so, the employer can pay out unused time at the end of the year or consider the unused time to be forfeited.

What Must You Do To Comply?

Employers are required to comply with notice, posting, and recordkeeping requirements for paid sick time, including:

- Posting notices in the workplace of employees' rights under paid sick leave laws;
- Providing employees with the employer's business name, address, and telephone number in writing upon hire;
- Providing employees, by 7/1/17 and upon hire thereafter, with a notice that informs them of their rights and responsibilities under the Fair Wages and Healthy Families Act (same notice as posted); and
- Maintaining payroll records in accordance with Arizona's statutes and rules.

Notices can be found on the Industrial Commission's website in both English and Spanish.

Employers must also provide the following, either in an employee's paycheck or in an attachment to it:

- The amount of earned paid sick leave available to the employee;
- The amount of earned paid sick leave taken by the employee to date that year; and
- The amount of paid time the employee has received as earned paid sick leave.

Most importantly, **you need to create a new time off policy that incorporates compliant paid sick leave into your benefits package.** If you already provide paid time off, such as vacation or sick days, you may only need to adjust your current policy to ensure it addresses the minimum requirements of the law. **Note:** It is not advised to include protected paid sick time in with other additional paid time off, such as in a PTO bank. Doing this makes it difficult to distinguish which time is which, thereby subjecting all your time off benefits to the same risks and restrictions as provided by the paid sick time laws.

Some other details you may not know about AZ paid sick time:

- Employers can require a good faith effort to provide advance notice of absence when foreseeable, and to take paid sick time in a way that does not unduly disrupt operations. (But we don't recommend denying a request!)
- You can have a written policy about how employees are to notify you of an unforeseeable absence (i.e., notify your direct supervisor); however you cannot limit the method by which an employee is able to provide you with notice of the need to use paid sick time. (An employee is permitted to use any available option, to include oral, written, or electronic methods.)
- Paid sick time can be used in 1 hour increments (or smaller, if you allow smaller increments for other types of absences).
- Employers **cannot require a doctor's note** or other reasonable documentation unless 3 or more consecutive days are used.
- You cannot require specific details as to the reason for absence, and if the employee provides details, you are required to keep them confidential.
- You cannot require employee to find a replacement for their shift.

SURPRISE BILLING

https://difi.az.gov/arizonas-surprise-out-networkbilling-dispute-resolution-soonbdr-program

Arizona's Surprise Out-of-Network Billing Dispute Resolution (SOONBDR) Program

Balance billing—or a surprise medical bill—happens when you get a bill from a doctor, laboratory, durable medical equipment provider, or other healthcare provider who isn't part of your health plan's network. Often, consumers didn't know they were getting care from out-of-network providers. For example, a patient goes to an in-network hospital for emergency care and is treated by an out-of-network doctor. The doctor and the hospital each bill $1,000 for their services, and the health plan pays them each $400. The in-network hospital can only bill the patient for copays, deductibles, and coinsurance amounts. The out-of-network doctor, however, may bill for copays, deductibles, and coinsurance as well as any other amounts that the health plan did not pay.

The SOONBDR program is defined in Arizona Revised Statutes 20-3111 through 20-3119, and Arizona Administrative Code R20-6-2401through R20-6-2406.

ARIZONA SOONBDR ELIGIBILITY REQUIREMENTS

Arizona's SOONBDR program has some eligibility requirements. Since the program began in 2019, more than half of the surprise billing complaints received by the AZ DIFI have been found not to be eligible for the SOONBDR program. The most common reasons that surprise bills are not eligible:

- The policy is not under our jurisdiction (e.g., self-insured by employer, state or federal government employee plan, policy issued in another state).
- The date of the health care service was more than 1 year ago (although it can be extended by the time a health care appeal was in progress).
- The amount of the bill is less than $1,000.
- It is an HMO plan. (These plans have other balance billing protections.)

We have a form you can fill out (below) that will give us the information needed to evaluate whether your surprise bill qualifies for the Arizona SOONBDR, healthcare appeals or complaint process. If your surprise bill qualifies for the Arizona SOONBDR program, we'll let you know the next steps. Generally, an informal settlement conference will be set up, which requires the participation of the enrollee. The vast majority of complaints that qualify for the SOONBDR program are resolved informally; however, if no resolution is reached, the dispute can proceed to arbitration. There is no cost to an enrollee to participate in Arizona's SOONBDR program.

If your surprise bill is not under our jurisdiction, we will provide you with information on how to contact the agency or entity that may be able to provide you with assistance.

Steps for SOONBDR Dispute Resolution Request

STEP 1: Complete Form SOONBDR (Surprise Out-of-Network Billing Dispute Resolution Request), and print and sign the form.

STEP 2: Scan and save to your computer:

- The Form SOONBDR that you completed and signed in STEP 1
- A picture of your insurance card, front and back
- Correspondence (letters, memos, bills, etc.) between you, the provider, and the insurer relating to this bill
- Any other information you have that will help explain this matter

STEP 3: Complete and submit via our online "Consumer Complaint" system and attach all the documents that you saved to your computer in STEP 2.

Please Note

*IMPORTANT: The Consumer Complaint system only allows you one opportunity to attach all the documents that pertain to your request for dispute resolution. It is important that you complete STEPS 1 and 2 before going to the online portal.

Arizona's Surprise Bill Resolution Report for 2022

As shown in the attached report prepared pursuant to A.R.S. § 20-3118(A), the Department of Insurance and Financial Institutions received 427 requests for dispute resolution in Calendar Year 2022. 437 (includes 37 that carried over from 2021, and 27 that remained open as of 12/31/22) have been resolved or closed, and health plan enrollees saved $860,241.72 by submitting their surprise bills for resolution.

Department of Insurance website: https://difi.az.gov/

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