

# Why Arizona's New Telemedicine Law Sends an Important Message

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Arizona Governor Doug Ducey signed a bill ([S.B. 1363](#)) into law, on May 17, 2016, requiring private health plans to pay for telemedicine services across the whole state rather than only services received in rural areas of the state.

The State's [current telehealth coverage law](#), which went into effect January 2015, only requires commercial health insurers to cover telemedicine-based services provided to patients in **rural areas**. That deprives all the Arizona residents in non-rural areas from enjoying telemedicine services under their insurance benefit plans. (We imagine the citizens of Phoenix giving the Governor a collective "thumbs up" when he signed the new bill.).

With the passage of this bill, Arizona expanded coverage opportunities for telemedicine services. But there is still room to improve. For example, it covers only a limited set of telemedicine services (there are eight enumerated categories of "health care services"), rather than full equivalency of covering all services delivered via telemedicine to the extent the service is covered when delivered in-person. Additionally, the law also allows health plans to limit the coverage to those health care providers who are members of the plan's provider network. The law contains no payment parity language. The revised statute becomes effective January 1, 2018.

Language has meaning, and words are important in statutory construction. Telehealth providers in other states can look to the Arizona experience as a lesson when advocating for and drafting telehealth commercial coverage laws in their home states.

The newly-revised statute provides as follows:

20-841.09. Telemedicine; coverage of health care services; definitions:

- All contracts issued, delivered or renewed on or after January 1, 2015 must provide coverage for health care services that are provided through telemedicine if the health care service would be covered were it provided through in-person consultation between the subscriber and a health care provider and provided to a subscriber receiving the service in a rural region of

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this state. The contract may limit the coverage to those health care providers who are members of the corporation's provider network.

- This section does not prevent a corporation from imposing deductibles, copayment or coinsurance requirements for a health care service provided through telemedicine if the deductible, copayment or coinsurance does not exceed the deductible, copayment or coinsurance applicable to an in-person consultation for the same health care service.
- Services provided through telemedicine or resulting from a telemedicine consultation shall comply with Arizona licensure requirements, accreditation standards and any practice guidelines of a national association of medical professionals promoting access to medical care for consumers via telecommunications technology or other qualified medical professional societies to ensure quality of care.
- This section does not apply to limited benefit coverage as defined in section 20-1137.
- For the purposes of this section:
  - "Health care services" means services provided for the following conditions or in the following settings:
    - Trauma.
    - Burn.
    - Cardiology.
    - Infectious diseases.
    - Mental health disorders.
    - Neurologic diseases including strokes.
    - Dermatology
    - (h) Pulmonology
  - "Rural region" means either:
    - An area that is located in a county with a population of less than nine hundred thousand persons.
    - A city or town that is located in a county with a population of nine hundred thousand persons or more and whose nearest boundary is more than thirty miles from the boundary of a city that has a population of five hundred thousand persons or more.
  - "Telemedicine:"
    - Means the interactive use of audio, video or other electronic media for the

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purpose of diagnosis, consultation or treatment.

- Does not include the sole use of an audio-only telephone, a video-only system, a facsimile machine, instant messages or electronic mail.

Currently, [29 states plus the District of Columbia](#) have telehealth commercial insurance laws requiring commercial health insurance companies cover services provided via telehealth to the same extent those services are covered if provided in-person. Continued expansions in reimbursement mean providers can enhance telehealth offerings, both for the immediate cost savings and growing opportunities for revenue generation, to say nothing of patient quality and satisfaction. Commercial insurance reimbursement is among the five telemedicine trends driving health care transformation in 2016 and beyond.

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National Law Review, Volume VI, Number 158

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