

Senate Engrossed House Bill

genetic sequencing; insurance; prohibition

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HOUSE BILL 2693

AN ACT

AMENDING TITLE 20, CHAPTER 4, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-826.05; AMENDING TITLE 20, CHAPTER 4, ARTICLE 9, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-1057.20; AMENDING TITLE 20, CHAPTER 6, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-1342.08; AMENDING TITLE 20, CHAPTER 6, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-1404.06; AMENDING TITLE 36, CHAPTER 4, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-407.04; AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2907.16; RELATING TO HEALTH INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 20, chapter 4, article 3, Arizona Revised
3 Statutes, is amended by adding section 20-826.05, to read:

4 20-826.05. Genetic sequencing; insurance coverage
5 prohibition; applicability; definitions

6 A. A SUBSCRIPTION CONTRACT MAY LIMIT COVERAGE TO A SUBSCRIBER FOR
7 GENETIC SEQUENCING IF THE GENETIC SEQUENCING IS PERFORMED ON A DEVICE THAT
8 IS EITHER OF THE FOLLOWING:

- 9 1. PRODUCED BY A COMPANY THAT IS DOMICILED IN A FOREIGN ADVERSARY.
10 2. PRODUCED BY A COMPANY THAT IS OWNED OR SUBSTANTIALLY CONTROLLED
11 BY A COMPANY THAT IS DOMICILED IN A FOREIGN ADVERSARY.

12 B. THIS SECTION DOES NOT:

- 13 1. REQUIRE COVERAGE FOR GENETIC SEQUENCING.
14 2. LIMIT A HOSPITAL SERVICE CORPORATION OR MEDICAL SERVICE
15 CORPORATION FROM DENYING COVERAGE FOR ANY VALID REASON.

16 C. FOR THE PURPOSES OF THIS SECTION:

- 17 1. "COMPANY" MEANS A FOR-PROFIT SOLE PROPRIETORSHIP, ORGANIZATION,
18 ASSOCIATION, CORPORATION, PARTNERSHIP, JOINT VENTURE, LIMITED PARTNERSHIP,
19 LIMITED LIABILITY PARTNERSHIP, LIMITED LIABILITY COMPANY, INCLUDING A
20 WHOLLY OWNED SUBSIDIARY, MAJORITY OWNED SUBSIDIARY, PARENT COMPANY OR
21 AFFILIATE OF THE ENTITIES OR BUSINESS ASSOCIATIONS OR A NONPROFIT
22 ORGANIZATION.

23 2. "DOMICILED" MEANS EITHER OF THE FOLLOWING:

- 24 (a) THE COUNTRY IN WHICH A COMPANY IS REGISTERED.
25 (b) THE LOCATION IN WHICH THE COMPANY'S AFFAIRS ARE PRIMARILY
26 COMPLETED OR WHERE A MAJORITY OF THE OWNERSHIP SHARES ARE HELD.

27 3. "FOREIGN ADVERSARY":

- 28 (a) MEANS THE PEOPLE'S REPUBLIC OF CHINA, RUSSIA, IRAN, NORTH
29 KOREA, CUBA, VENEZUELA OR SYRIA OR THE HONG KONG SPECIAL ADMINISTRATIVE
30 REGION.

31 (b) INCLUDES:

- 32 (i) A COUNTRY DESIGNATED AS A FOREIGN ADVERSARY BY THE FEDERAL
33 GOVERNMENT.

34 (ii) ANY AGENT OR ENTITY UNDER SIGNIFICANT CONTROL OF A FOREIGN
35 ADVERSARY.

36 4. "GENETIC SEQUENCING" MEANS ANY METHOD TO DETERMINE THE IDENTITY
37 AND ORDER OF NUCLEOTIDE BASES IN THE HUMAN GENOME.

38 Sec. 2. Title 20, chapter 4, article 9, Arizona Revised Statutes,
39 is amended by adding section 20-1057.20, to read:

40 20-1057.20. Genetic sequencing; insurance coverage
41 prohibition; applicability; definitions

42 A. AN EVIDENCE OF COVERAGE MAY LIMIT COVERAGE TO AN ENROLLEE FOR
43 GENETIC SEQUENCING IF THE GENETIC SEQUENCING IS PERFORMED ON A DEVICE THAT
44 IS EITHER OF THE FOLLOWING:

- 45 1. PRODUCED BY A COMPANY THAT IS DOMICILED IN A FOREIGN ADVERSARY.

1 2. PRODUCED BY A COMPANY THAT IS OWNED OR SUBSTANTIALLY CONTROLLED
2 BY A COMPANY THAT IS DOMICILED IN A FOREIGN ADVERSARY.
3 B. THIS SECTION DOES NOT:
4 1. REQUIRE COVERAGE FOR GENETIC SEQUENCING.
5 2. LIMIT A HEALTH CARE SERVICES ORGANIZATION FROM DENYING COVERAGE
6 FOR ANY VALID REASON.
7 C. FOR THE PURPOSES OF THIS SECTION:
8 1. "COMPANY" MEANS A FOR PROFIT SOLE PROPRIETORSHIP, ORGANIZATION,
9 ASSOCIATION, CORPORATION, PARTNERSHIP, JOINT VENTURE, LIMITED PARTNERSHIP,
10 LIMITED LIABILITY PARTNERSHIP, LIMITED LIABILITY COMPANY, INCLUDING A
11 WHOLLY OWNED SUBSIDIARY, MAJORITY OWNED SUBSIDIARY, PARENT COMPANY OR
12 AFFILIATE OF THE ENTITIES OR BUSINESS ASSOCIATIONS OR A NONPROFIT
13 ORGANIZATION.
14 2. "DOMICILED" MEANS EITHER OF THE FOLLOWING:
15 (a) THE COUNTRY IN WHICH A COMPANY IS REGISTERED.
16 (b) THE LOCATION IN WHICH THE COMPANY'S AFFAIRS ARE PRIMARILY
17 COMPLETED OR WHERE A MAJORITY OF THE OWNERSHIP SHARES ARE HELD.
18 3. "FOREIGN ADVERSARY":
19 (a) MEANS THE PEOPLE'S REPUBLIC OF CHINA, RUSSIA, IRAN, NORTH
20 KOREA, CUBA, VENEZUELA OR SYRIA OR THE HONG KONG SPECIAL ADMINISTRATIVE
21 REGION.
22 (b) INCLUDES:
23 (i) A COUNTRY DESIGNATED AS A FOREIGN ADVERSARY BY THE FEDERAL
24 GOVERNMENT.
25 (ii) ANY AGENT OR ENTITY UNDER SIGNIFICANT CONTROL OF A FOREIGN
26 ADVERSARY.
27 4. "GENETIC SEQUENCING" MEANS ANY METHOD TO DETERMINE THE IDENTITY
28 AND ORDER OF NUCLEOTIDE BASES IN THE HUMAN GENOME.
29 Sec. 3. Title 20, chapter 6, article 4, Arizona Revised Statutes,
30 is amended by adding section 20-1342.08, to read:
31 20-1342.08. Genetic sequencing; insurance coverage
32 prohibition; applicability; definitions
33 A. A DISABILITY INSURANCE POLICY MAY LIMIT COVERAGE TO AN INSURED
34 FOR GENETIC SEQUENCING IF THE GENETIC SEQUENCING IS PERFORMED ON A DEVICE
35 THAT IS EITHER OF THE FOLLOWING:
36 1. PRODUCED BY A COMPANY THAT IS DOMICILED IN A FOREIGN ADVERSARY.
37 2. PRODUCED BY A COMPANY THAT IS OWNED OR SUBSTANTIALLY CONTROLLED
38 BY A COMPANY THAT IS DOMICILED IN A FOREIGN ADVERSARY.
39 B. THIS SECTION DOES NOT:
40 1. REQUIRE COVERAGE FOR GENETIC SEQUENCING.
41 2. LIMIT A DISABILITY INSURER FROM DENYING COVERAGE FOR ANY VALID
42 REASON.
43 C. FOR THE PURPOSES OF THIS SECTION:
44 1. "COMPANY" MEANS A FOR-PROFIT SOLE PROPRIETORSHIP, ORGANIZATION,
45 ASSOCIATION, CORPORATION, PARTNERSHIP, JOINT VENTURE, LIMITED PARTNERSHIP,

1 LIMITED LIABILITY PARTNERSHIP, LIMITED LIABILITY COMPANY, INCLUDING A
2 WHOLLY OWNED SUBSIDIARY, MAJORITY OWNED SUBSIDIARY, PARENT COMPANY OR
3 AFFILIATE OF THE ENTITIES OR BUSINESS ASSOCIATIONS OR A NONPROFIT
4 ORGANIZATION.

5 2. "DOMICILED" MEANS EITHER OF THE FOLLOWING:

6 (a) THE COUNTRY IN WHICH A COMPANY IS REGISTERED.

7 (b) THE LOCATION IN WHICH THE COMPANY'S AFFAIRS ARE PRIMARILY
8 COMPLETED OR WHERE A MAJORITY OF THE OWNERSHIP SHARES ARE HELD.

9 3. "FOREIGN ADVERSARY":

10 (a) MEANS THE PEOPLE'S REPUBLIC OF CHINA, RUSSIA, IRAN, NORTH
11 KOREA, CUBA, VENEZUELA OR SYRIA OR THE HONG KONG SPECIAL ADMINISTRATIVE
12 REGION.

13 (b) INCLUDES:

14 (i) A COUNTRY DESIGNATED AS A FOREIGN ADVERSARY BY THE FEDERAL
15 GOVERNMENT.

16 (ii) ANY AGENT OR ENTITY UNDER SIGNIFICANT CONTROL OF A FOREIGN
17 ADVERSARY.

18 4. "GENETIC SEQUENCING" MEANS ANY METHOD TO DETERMINE THE IDENTITY
19 AND ORDER OF NUCLEOTIDE BASES IN THE HUMAN GENOME.

20 Sec. 4. Title 20, chapter 6, article 5, Arizona Revised Statutes,
21 is amended by adding section 20-1404.06, to read:

22 20-1404.06. Genetic sequencing; insurance coverage
23 prohibition; applicability; definitions

24 A. A GROUP OR BLANKET DISABILITY INSURANCE POLICY MAY LIMIT
25 COVERAGE TO AN INSURED FOR GENETIC SEQUENCING IF THE GENETIC SEQUENCING IS
26 PERFORMED ON A DEVICE THAT IS EITHER OF THE FOLLOWING:

27 1. PRODUCED BY A COMPANY THAT IS DOMICILED IN A FOREIGN ADVERSARY.

28 2. PRODUCED BY A COMPANY THAT IS OWNED OR SUBSTANTIALLY CONTROLLED
29 BY A COMPANY THAT IS DOMICILED IN A FOREIGN ADVERSARY.

30 B. THIS SECTION DOES NOT:

31 1. REQUIRE COVERAGE FOR GENETIC SEQUENCING.

32 2. LIMIT A GROUP OR BLANKET DISABILITY INSURER FROM DENYING
33 COVERAGE FOR ANY VALID REASON.

34 C. FOR THE PURPOSES OF THIS SECTION:

35 1. "COMPANY" MEANS A FOR-PROFIT SOLE PROPRIETORSHIP, ORGANIZATION,
36 ASSOCIATION, CORPORATION, PARTNERSHIP, JOINT VENTURE, LIMITED PARTNERSHIP,
37 LIMITED LIABILITY PARTNERSHIP, LIMITED LIABILITY COMPANY, INCLUDING A
38 WHOLLY OWNED SUBSIDIARY, MAJORITY OWNED SUBSIDIARY, PARENT COMPANY OR
39 AFFILIATE OF THE ENTITIES OR BUSINESS ASSOCIATIONS OR A NONPROFIT
40 ORGANIZATION.

41 2. "DOMICILED" MEANS EITHER OF THE FOLLOWING:

42 (a) THE COUNTRY IN WHICH A COMPANY IS REGISTERED.

43 (b) THE LOCATION IN WHICH THE COMPANY'S AFFAIRS ARE PRIMARILY
44 COMPLETED OR WHERE A MAJORITY OF THE OWNERSHIP SHARES ARE HELD.

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1      3.  "FOREIGN ADVERSARY":
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2 (a) MEANS THE PEOPLE'S REPUBLIC OF CHINA, RUSSIA, IRAN, NORTH
3 KOREA, CUBA, VENEZUELA OR SYRIA OR THE HONG KONG SPECIAL ADMINISTRATIVE
4 REGION.

5 (b) INCLUDES:

6 (i) A COUNTRY DESIGNATED AS A FOREIGN ADVERSARY BY THE FEDERAL
7 GOVERNMENT.

8 (ii) ANY AGENT OR ENTITY UNDER SIGNIFICANT CONTROL OF A FOREIGN
9 ADVERSARY.

10 4. "GENETIC SEQUENCING" MEANS ANY METHOD TO DETERMINE THE IDENTITY
11 AND ORDER OF NUCLEOTIDE BASES IN THE HUMAN GENOME.

12 Sec. 5. Title 36, chapter 4, article 1, Arizona Revised Statutes,
13 is amended by adding section 36-407.04, to read:

14 36-407.04. Prohibition on certain genetic sequencers;
15 compliance certification; penalties; storage;
16 definition

17 A. A HEALTH CARE INSTITUTION OR RESEARCH FACILITY SHALL NOT USE
18 GENETIC SEQUENCERS OR ANY OPERATIONAL OR RESEARCH SOFTWARE USED FOR
19 GENETIC SEQUENCING FOR THE PURPOSES OF CONDUCTING GENETIC SEQUENCING IF
20 THE GENETIC SEQUENCERS OR RESEARCH SOFTWARE IS PRODUCED IN OR BY ANY OF
21 THE FOLLOWING:

22 1. A FOREIGN ADVERSARY OR THE FOREIGN ADVERSARY'S AFFILIATE,
23 SUBSIDIARY OR COMPANY.

24 2. A COMPANY, SUBSIDIARY OR ENTERPRISE THAT IS DEEMED A CHINESE
25 MILITARY COMPANY OR AN AFFILIATE OF THE CHINESE MILITARY COMPANY PURSUANT
26 TO THE ANNUAL PUBLICATION REQUIREMENTS OF SECTION 1260H OF THE WILLIAM
27 M. THORNBERRY NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2021
28 (P.L. 116-283; 134 STAT. 3965).

29 3. A COMPANY, SUBSIDIARY OR ENTERPRISE THAT IS DOMICILED WITHIN A
30 FOREIGN ADVERSARY OR THE FOREIGN ADVERSARY'S AFFILIATE.

31 4. A COMPANY OWNED OR CONTROLLED SUBSIDIARY OF A COMPANY THAT IS
32 DOMICILED IN A FOREIGN ADVERSARY OR THE FOREIGN ADVERSARY'S AFFILIATE.

33 B. ALL GENETIC SEQUENCERS AND OPERATIONAL AND RESEARCH SOFTWARE
34 USED FOR GENETIC SEQUENCERS OR GENETIC SEQUENCING DEVICES THAT ARE
35 PROHIBITED UNDER SUBSECTION A OF THIS SECTION AND THAT ARE NOT PERMANENTLY
36 DISABLED SHALL BE REMOVED AND REPLACED WITH GENETIC SEQUENCERS AND
37 OPERATIONAL AND RESEARCH SOFTWARE USED FOR GENETIC SEQUENCERS OR GENETIC
38 SEQUENCING DEVICES THAT ARE NOT PROHIBITED BY THIS SECTION.

39 C. ON OR BEFORE DECEMBER 31, 2026 AND EACH YEAR THEREAFTER, AN
40 ATTORNEY FOR THE HEALTH CARE INSTITUTION OR RESEARCH FACILITY SHALL
41 CERTIFY IN WRITING THAT THE HEALTH CARE INSTITUTION OR RESEARCH FACILITY
42 IS IN COMPLIANCE WITH THIS SECTION.

43 D. A HEALTH CARE INSTITUTION OR RESEARCH FACILITY THAT SPENDS STATE
44 MONIES IN VIOLATION OF THIS SECTION IS SUBJECT TO A CIVIL PENALTY OF
45 \$20,000 FOR EACH VIOLATION. FOR THE PURPOSES OF THIS SUBSECTION,

1 "VIOLATION" MEANS EACH INSTANCE OF AN INDIVIDUAL'S GENOME HAVING UNDERGONE
2 GENETIC SEQUENCING USING GENETIC SEQUENCERS OR OPERATIONAL AND RESEARCH
3 SOFTWARE USED FOR GENETIC SEQUENCERS OR GENETIC SEQUENCING THAT ARE
4 PROHIBITED UNDER THIS SECTION.

5 E. ANY INDIVIDUAL MAY NOTIFY THE ATTORNEY GENERAL OF A VIOLATION OR
6 SUSPECTED VIOLATION OF THIS SECTION AND THE FOLLOWING APPLY:

7 1. IF THE NOTIFYING INDIVIDUAL IS AN EMPLOYEE OF THE HEALTH CARE
8 INSTITUTION OR RESEARCH FACILITY, THE EMPLOYEE HAS WHISTLEBLOWER
9 PROTECTION.

10 2. IF THE NOTIFYING INDIVIDUAL IS A PATIENT OR RESEARCH SUBJECT AND
11 THE PROVIDER OF THE HUMAN GENOME USED IN THE VIOLATION, THAT INDIVIDUAL IS
12 ENTITLED TO RECOVER STATUTORY DAMAGES OF NOT LESS THAN \$1,000 FOR EACH
13 INSTANCE IN WHICH THAT INDIVIDUAL'S HUMAN GENOME WAS PROCESSED USING
14 PROHIBITED TECHNOLOGY.

15 F. ALL GENETIC SEQUENCING DATA SHALL BE STORED IN THE UNITED
16 STATES. ANY REMOTE ACCESS OF DATA STORAGE, OTHER THAN OPEN DATA, IS
17 PROHIBITED UNLESS APPROVED IN WRITING BY THE DIRECTOR.

18 G. HEALTH CARE INSTITUTIONS AND RESEARCH FACILITIES THAT STORE
19 GENETIC SEQUENCING DATA, INCLUDING THROUGH CONTRACTS WITH THIRD-PARTY DATA
20 STORAGE COMPANIES, SHALL ENSURE THAT THE DATA IS SECURED THROUGH
21 REASONABLE ENCRYPTION METHODS, RESTRICTION ON ACCESS AND OTHER
22 CYBERSECURITY METHODS.

23 H. FOR THE PURPOSES OF THIS SECTION, "FOREIGN ADVERSARY":

24 1. MEANS THE PEOPLE'S REPUBLIC OF CHINA, RUSSIA, IRAN, NORTH KOREA,
25 CUBA, VENEZUELA OR SYRIA OR THE HONG KONG SPECIAL ADMINISTRATIVE REGION.

26 2. INCLUDES:

27 (a) A COUNTRY DESIGNATED AS A FOREIGN ADVERSARY OF THE FEDERAL
28 GOVERNMENT.

29 (b) ANY AGENT OR ENTITY UNDER SIGNIFICANT CONTROL OF A FOREIGN
30 ADVERSARY.

31 Sec. 6. Title 36, chapter 29, article 1, Arizona Revised Statutes,
32 is amended by adding section 36-2907.16, to read:

33 36-2907.16. Genetic sequencing; insurance coverage
34 prohibition; applicability; definitions

35 A. SUBJECT TO THE APPROVAL OF THE CENTERS FOR MEDICARE AND MEDICAID
36 SERVICES, THE ADMINISTRATION MAY LIMIT COVERAGE TO A MEMBER FOR GENETIC
37 SEQUENCING IF THE GENETIC SEQUENCING IS PERFORMED ON A DEVICE THAT IS
38 EITHER OF THE FOLLOWING:

39 1. PRODUCED BY A COMPANY THAT IS DOMICILED IN A FOREIGN ADVERSARY.

40 2. PRODUCED BY A COMPANY THAT IS OWNED OR SUBSTANTIALLY CONTROLLED
41 BY A COMPANY THAT IS DOMICILED IN A FOREIGN ADVERSARY.

42 B. THIS SECTION DOES NOT:

43 1. REQUIRE COVERAGE FOR GENETIC SEQUENCING.

44 2. LIMIT THE ADMINISTRATION FROM DENYING COVERAGE FOR ANY VALID
45 REASON.

1 C. FOR THE PURPOSES OF THIS SECTION:

2 1. "COMPANY" MEANS A FOR-PROFIT SOLE PROPRIETORSHIP, ORGANIZATION,
3 ASSOCIATION, CORPORATION, PARTNERSHIP, JOINT VENTURE, LIMITED PARTNERSHIP,
4 LIMITED LIABILITY PARTNERSHIP, LIMITED LIABILITY COMPANY, INCLUDING A
5 WHOLLY OWNED SUBSIDIARY, MAJORITY OWNED SUBSIDIARY, PARENT COMPANY OR
6 AFFILIATE OF THE ENTITIES OR BUSINESS ASSOCIATIONS OR A NONPROFIT
7 ORGANIZATION.

8 2. "DOMICILED" MEANS EITHER OF THE FOLLOWING:

9 (a) THE COUNTRY IN WHICH A COMPANY IS REGISTERED.

10 (b) THE LOCATION IN WHICH THE COMPANY'S AFFAIRS ARE PRIMARILY
11 COMPLETED OR WHERE A MAJORITY OF THE OWNERSHIP SHARES ARE HELD.

12 3. "FOREIGN ADVERSARY":

13 (a) MEANS THE PEOPLE'S REPUBLIC OF CHINA, RUSSIA, IRAN, NORTH
14 KOREA, CUBA, VENEZUELA OR SYRIA OR THE HONG KONG SPECIAL ADMINISTRATIVE
15 REGION.

16 (b) INCLUDES:

17 (i) A COUNTRY DESIGNATED AS A FOREIGN ADVERSARY BY THE FEDERAL
18 GOVERNMENT.

19 (ii) ANY AGENT OR ENTITY UNDER SIGNIFICANT CONTROL OF A FOREIGN
20 ADVERSARY.

21 4. "GENETIC SEQUENCING" MEANS ANY METHOD TO DETERMINE THE IDENTITY
22 AND ORDER OF NUCLEOTIDE BASES IN THE HUMAN GENOME.