

State Corporation Commission

2016 Fiscal Impact Statement

1. Bill Number: HB685

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Landes

3. Committee: Commerce and Labor

4. Title: Direct primary care agreements.

5. Summary: Direct primary care agreements. Provides that the Commonwealth's insurance laws do not apply to direct primary care agreements. The measure further provides that (i) a direct primary care practice is not be subject to the jurisdiction of the State Corporation Commission (SCC) and is not required to obtain a certificate of authority or license to market, sell, or offer to sell a direct primary care agreement; (ii) entering into a direct primary care agreement shall not be considered to be engaging in the business of insurance; and (iii) a direct primary care agreement is not a contract of insurance and is not subject to regulation by the SCC. The bill defines a direct primary care agreement as an agreement entered into between a health care provider and an individual patient under which the provider charges a predetermined fee as consideration for providing primary care to the patient, subject to certain conditions.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission

8. Fiscal implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: The amendment in the nature of a substitute to House Bill 685 adds an amendment to § 38.2-6400 on lines 47 – 49, which clarifies that nothing in the definition of “direct primary care practice” requires health care providers to exclusively participate in direct primary care agreements or prohibits providers from seeking reimbursement for services provided outside of direct primary care agreements. On line 90, language was added to clarify that the prohibited practices set forth in § 38.2-6402 only apply to services provided under direct primary care agreements.

Senate Bill 627 is identical to House Bill 685 prior to the amendment in the nature of a substitute.

Date: 02/05/16/V. Tompkins

cc: Secretary of Health and Human Resources