

# 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:** Senate Floor

**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. The prohibition against third party billing in direct primary care agreements does not apply to a health care services patient outside of the direct primary care agreement.

**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 February 29, 2016 amendment in the nature of a substitute to House Bill 685 removes the prohibited practices section and replaces it with a third party billing in a Direct Primary Care Agreement provisions. In addition, the substitute removes provisions which would have permitted the individual's employer from making payments to the patient's health savings account or paying periodic fees to the patient's physician under the direct primary care agreement.

The substitute version of Senate Bill 627 is identical to the amended House Bill 685.

**Date:** 03/03/16/V. Tompkins

cc: Secretary of Health and Human Resources