

State Corporation Commission

2016 Fiscal Impact Statement

1. Bill Number: SB800

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

2. Patron: Stanley

3. Committee: Commerce and Labor

4. Title: Direct primary care agreements; Commonwealth's insurance laws do not apply.

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 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 practice and a direct primary care patient under which the practice is authorized to charge a periodic fee as consideration for providing ongoing primary care to the patient, subject to certain conditions. A direct primary care practice is prohibited from submitting a claim to an insurer with respect to services provided to direct primary care patients covered by their direct primary care agreement, unless the services are outside of the patient's 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: House Bill 1393 is identical to Senate Bill 800.

01/14/17/V. Tompkins

cc: Secretary of Health and Human Resources