

State Corporation Commission

2016 Fiscal Impact Statement

1. Bill Number: SB627

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.

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. 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. With respect to services furnished under a direct primary care agreement, no direct primary care practice may submit a claim for payment to a health carrier or a health carrier's contractor or subcontractor, to a self-insured plan, or to the state medical assistance program, with regard to any health care services provided to direct primary care patients covered by their 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 685 is identical to Senate Bill 627. The substitute for Senate Bill 627 was continued to 2017 in Senate Commerce and Labor.

Date: 02/17/16/V. Tompkins

cc: Secretary of Health and Human Resources