

House File 2356 - Introduced

HOUSE FILE 2356
BY COMMITTEE ON HUMAN
RESOURCES

(SUCCESSOR TO HF 2275)

A BILL FOR

1 An Act relating to agreements between individuals and health
2 care professionals for the provision of certain primary care
3 health services for a service charge that covers an agreed
4 upon period of time.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 135N.1 Direct primary care
2 agreements.

3 1. *Definitions.* For the purpose of this section:

4 a. "*Direct patient*" means an individual, or an individual
5 and the individual's immediate family, that is party to a
6 direct primary care agreement.

7 b. "*Direct patient's representative*" means a parent,
8 guardian, or an individual holding a durable power of attorney
9 for health care for a direct patient.

10 c. "*Direct primary care agreement*" means an agreement
11 between a direct provider and a direct patient, or the direct
12 patient's representative, in which the direct provider agrees
13 to provide primary care health services for a specified period
14 of time to the direct patient for a direct service charge.

15 d. "*Direct provider*" means a health care professional
16 licensed, accredited, registered, or certified to perform
17 specified primary care health services consistent with the law
18 of this state. "*Direct provider*" includes an individual health
19 care professional or other legal health care entity alone or
20 with other health care professionals professionally associated
21 with the individual health care professional or other legal
22 health care entity.

23 e. "*Direct service charge*" means a charge for primary care
24 health services provided by a direct provider to a direct
25 patient covered by a direct primary care agreement. "*Direct*
26 *service charge*" may include a periodic retainer, a membership
27 fee, a subscription fee, or a charge in any other form paid by
28 a direct patient to a direct provider under a direct primary
29 care agreement.

30 f. "*Durable power of attorney for health care*" means the same
31 as defined in section 144B.1.

32 g. "*Primary care health services*" means general health care
33 services of the type provided at the time a patient seeks
34 preventive care or first seeks health care services for a
35 specific health concern. Primary care health services include

1 all of the following:

2 (1) Care which promotes and maintains mental and physical
3 health and wellness.

4 (2) Care which prevents disease.

5 (3) Screening, diagnosing, and treatment of acute or
6 chronic conditions caused by disease, injury, or illness.

7 (4) Patient counseling and education.

8 (5) Provision of a broad spectrum of preventive and curative
9 health care over a period of time.

10 (6) Coordination of care.

11 2. *Requirements for a valid direct primary care agreement.*

12 a. In order to be a valid agreement, a direct primary care
13 agreement must meet all of the following requirements:

14 (1) Be in writing.

15 (2) Be signed by the direct provider, or an agent of the
16 direct provider, and the direct patient or the direct patient's
17 representative.

18 (3) Describe the scope of the primary care health services
19 covered by the direct primary care agreement.

20 (4) State each of the direct provider's locations where
21 a direct patient may obtain primary care health services and
22 specify any out-of-office primary care health services that are
23 covered under the direct primary care agreement.

24 (5) Specify the direct service charge and the frequency
25 at which the direct service charge must be paid by the direct
26 patient. A direct patient shall not be required to pay more
27 than twelve months of a direct service charge in advance.

28 (6) Specify any additional costs for primary care health
29 services not covered by the direct service charge for which the
30 direct patient will be responsible.

31 (7) Specify the duration of the direct primary care
32 agreement, whether renewal is automatic, and if required the
33 procedure for renewal of the direct primary care agreement.

34 (8) Specify the terms and conditions under which the
35 direct primary care agreement may be terminated by the

1 direct provider. A termination of the direct primary care
2 agreement by the direct provider shall include a minimum of
3 a thirty-calendar-day advance, written notice to the direct
4 patient or to the direct patient's representative.

5 (9) Specify that the direct primary care agreement may
6 be terminated at any time by the direct patient upon written
7 notice to the direct provider.

8 (10) State that if the direct primary care agreement is
9 terminated by either the direct patient or the direct provider
10 all of the following apply:

11 (a) Within thirty calendar days of the date of the notice of
12 termination from either party, the direct provider shall refund
13 all unearned direct service charges to the direct patient.

14 (b) Within thirty calendar days of the date of the notice
15 of termination from either party, the direct patient shall pay
16 all outstanding earned direct service charges to the direct
17 provider.

18 (11) Include a notice in bold, twelve-point font that states
19 substantially as follows:

20 **NOTICE.** This direct primary care agreement is not health
21 insurance and is not a plan that provides health coverage
22 for purposes of any federal mandates. This direct primary
23 care agreement only covers the primary care health services
24 described in this agreement. It is recommended that you obtain
25 health insurance to cover health care services not covered
26 under this direct primary care agreement. You are personally
27 responsible for the payment of any additional health care
28 expenses you may incur.

29 *b.* The direct provider shall provide the direct patient, or
30 the direct patient's representative, with a fully executed copy
31 of the direct primary care agreement at the time the direct
32 primary care agreement is executed.

33 *3. Application for a direct primary care agreement.* If
34 a direct provider requires a prospective direct patient to
35 complete an application for a direct primary care agreement,

1 the direct provider shall provide a written disclaimer on each
2 application that informs the prospective direct patient of the
3 direct patient's financial rights and responsibilities and
4 that states that the direct provider will not bill a health
5 insurance carrier for primary care health services covered
6 under the direct primary care agreement. The disclaimer shall
7 also include the identical notice required by subsection 2,
8 paragraph "a", subparagraph (11).

9 4. *Notice required for changes to the terms or conditions of*
10 *a direct primary care agreement.*

11 a. A direct provider shall provide at least a
12 sixty-calendar-day advance, written notice to a direct patient
13 of any of the following changes to a direct primary care
14 agreement:

15 (1) Any change in the scope of the primary care health
16 services covered under the agreement.

17 (2) Any change in the direct provider's locations where the
18 direct patient may access primary care health services.

19 (3) Any change in the out-of-office services that are
20 covered under the direct primary care service agreement.

21 (4) Any change in the direct service charge.

22 (5) Any change in the additional costs for primary care
23 health services not covered by the direct service charge.

24 (6) Any change in the renewal terms.

25 (7) Any change in the terms to terminate the agreement.

26 b. A direct provider shall provide the notice by mailing
27 a letter to the address of the direct patient that the direct
28 provider has on file. The postmark date on the letter shall be
29 the first day of the required sixty-calendar-day notice period.

30 5. *Discrimination based on an individual's health status.* A
31 direct provider shall not refuse to accept a new direct patient
32 or discontinue care of an existing direct patient based solely
33 on the new direct patient's or the existing direct patient's
34 health status.

35 6. *A direct primary care agreement is not insurance.*

1 *a.* A direct primary care agreement is not insurance and
2 shall not be subject to the authority of the commissioner of
3 insurance. Neither a direct care provider, nor an agent of
4 a direct care provider, shall be required to be licensed by
5 the commissioner to transact the business of insurance in this
6 state or to obtain a certificate issued by the commissioner to
7 market or offer a direct primary care agreement.

8 *b.* A direct provider shall not bill an insurer for a service
9 provided under a direct primary care agreement. A direct
10 patient may submit a request for reimbursement to an insurer if
11 permitted under the direct patient's policy of insurance. This
12 paragraph does not prohibit a direct provider from billing a
13 direct patient's insurance for a service provided to the direct
14 patient by the direct provider that is not provided under the
15 direct primary care agreement.

16 7. *Third-party payment of a direct service charge.* A direct
17 provider may accept payment of a direct service charge for
18 a direct patient either directly or indirectly from a third
19 party. A direct provider may accept all or part of a direct
20 service charge paid by an employer on behalf of an employee who
21 is a direct patient of the direct provider. A direct provider
22 shall not enter directly into an agreement with an employer
23 relating to a direct primary care agreement between the direct
24 provider and employees of the employer, other than an agreement
25 to establish the timing and method of the payment of a direct
26 service charge paid by the employer on behalf of the employee.

27 8. *Sale or transfer of a direct primary care agreement.* A
28 direct primary care agreement shall not be sold or transferred
29 by a direct care provider without the prior written consent
30 of the direct patient who is a party to the direct primary
31 care agreement. A direct patient shall not sell or transfer a
32 direct primary care agreement to which the direct patient is a
33 party.

34

EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 This bill relates to agreements between individuals and
3 health care professionals for the provision of certain primary
4 care health services for a service charge that covers an agreed
5 upon period of time.

6 The bill defines a direct primary care agreement as an
7 agreement between a direct provider and a direct patient,
8 or the direct patient's representative, in which the direct
9 provider agrees to provide primary care health services to
10 the direct patient for a direct service charge for the period
11 of time designated in the agreement. A direct patient is an
12 individual, or an individual and the individual's immediate
13 family. A direct provider is defined in the bill. A direct
14 service charge is a charge for primary care health services, as
15 defined in the bill, provided by a direct provider to a direct
16 patient and may include a periodic retainer, a membership fee,
17 a subscription fee, or other charge paid by a direct patient to
18 a direct provider.

19 The bill requires that a direct primary care agreement must
20 be in writing, must be signed by the direct provider and the
21 direct patient, must describe the scope of the primary care
22 health services included under the agreement, must state each
23 direct provider location where primary care health services may
24 be obtained by a direct patient, must specify any out-of-office
25 services that are included under the agreement, must specify
26 the direct service charge and how often it must be paid, must
27 specify any additional costs that may be assessed to the direct
28 patient for primary care health services not covered by the
29 direct service charge, and it must specify the duration of the
30 direct primary care agreement and how the agreement is renewed.

31 The bill requires that the terms and conditions for
32 termination of the direct primary care agreement by the direct
33 provider or the direct patient be included in the agreement.

34 The bill requires that a notice be included on the direct
35 primary care agreement and application that advises that the

1 agreement is not health insurance and is not a plan that
2 provides health coverage for purposes of any federal mandates.
3 The notice advises that the agreement only covers the primary
4 care health services described in the agreement and recommends
5 that the direct patient obtain health insurance to cover other
6 health care services as the patient is responsible for all
7 additional expenses incurred.

8 A direct provider shall give a copy of the executed direct
9 primary care agreement to the direct patient.

10 The bill requires a direct provider to give at least
11 a 60-calendar-day advance, written notice to an existing
12 direct patient of changes, as outlined in the bill, to a
13 direct primary care service agreement. A direct provider is
14 prohibited from refusing to accept a new direct patient or
15 discontinuing care for an existing direct patient based solely
16 on the patient's health status.

17 The bill provides that a direct primary care agreement
18 is not insurance and is not subject to the authority of the
19 commissioner of insurance. A direct care provider is not
20 required to be licensed by the commissioner to transact the
21 business of insurance in this state, or to obtain a certificate
22 issued by the commissioner to market or offer a direct primary
23 care agreement.

24 The bill prohibits a direct provider from billing an insurer
25 for services provided under a direct primary care agreement.
26 A direct patient may submit a request for reimbursement to
27 an insurer if permitted under the direct patient's policy of
28 insurance. A direct provider may bill a direct patient's
29 insurance for services provided by the direct provider that are
30 not provided under a direct primary care agreement.

31 A direct provider may accept payment of a direct service
32 charge for a direct patient either directly or indirectly from
33 a third party. A direct provider may accept all or part of
34 a direct service charge paid by an employer on behalf of an
35 employee but may not enter directly into an agreement with an

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1 employer relating to a direct primary care agreement between
2 the direct provider and employees of that employer.

3 The bill allows a direct provider to sell or transfer a
4 primary care agreement with the prior written consent of the
5 direct patient. A direct patient shall not sell or transfer a
6 direct primary care agreement.