

House File 289 - Introduced

HOUSE FILE 289

BY FRY

A BILL FOR

1 An Act relating to direct health care agreements, and including
2 effective date and applicability provisions.

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

1 Section 1. Section 135N.1, Code 2021, is amended by striking
2 the section and inserting in lieu thereof the following:

3 **135N.1 Direct health care agreements.**

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

5 a. "*Direct health care agreement*" means an agreement between
6 a provider and a patient, or the patient's representative, in
7 which the provider agrees to provide health care services for a
8 specified period of time to the patient for a service charge.

9 b. "*Durable power of attorney for health care*" means the same
10 as defined in section 144B.1.

11 c. "*Health care services*" means services for the diagnosis,
12 prevention, treatment, cure, or relief of a health condition,
13 illness, injury, or disease. "*Health care services*" includes
14 dental care services.

15 d. "*Patient*" means an individual, or an individual and the
16 individual's immediate family, that is a party to a direct
17 health care agreement.

18 e. "*Patient's representative*" means a parent, guardian, or
19 an individual holding a durable power of attorney for health
20 care for a patient.

21 f. "*Provider*" means a health care professional licensed,
22 accredited, registered, or certified to perform health care
23 services consistent with the laws of this state. "*Provider*"
24 includes an individual health care professional or other
25 legal health care entity alone or with other health care
26 professionals professionally associated with the individual
27 health care professional or other legal health care entity.

28 g. "*Service charge*" means a charge for health care services
29 provided by a provider to a patient covered by a direct health
30 care agreement. "*Service charge*" may include a periodic
31 retainer, a membership fee, a subscription fee, or a charge in
32 any other form paid by a patient to a provider under a direct
33 health care agreement.

34 2. *Requirements for a valid direct health care agreement.*

35 a. In order to be a valid agreement, a direct health care

1 agreement must meet all of the following requirements:

2 (1) Be in writing.

3 (2) Be signed by the provider, or an agent of the provider,
4 and the patient or the patient's representative.

5 (3) Describe the scope of the health care services covered
6 by the direct health care agreement.

7 (4) State each of the provider's locations where a patient
8 may obtain health care services and specify any out-of-office
9 health care services that are covered under the direct health
10 care agreement.

11 (5) Specify the service charge and the frequency at which
12 the service charge must be paid by the patient. A patient
13 shall not be required to pay more than twelve months of a
14 service charge in advance.

15 (6) Specify any additional costs for health care services
16 not covered by the service charge for which the patient will
17 be responsible.

18 (7) Specify the duration of the direct health care
19 agreement, whether renewal is automatic, and if required, the
20 procedure for renewal.

21 (8) Specify the terms and conditions under which the direct
22 health care agreement may be terminated by the provider.
23 A termination of the direct health care agreement by the
24 provider shall include a minimum of a thirty-calendar-day
25 advance, written notice to the patient or to the patient's
26 representative.

27 (9) Specify that the direct health care agreement may be
28 terminated at any time by the patient upon written notice to
29 the provider.

30 (10) State that if the direct health care agreement is
31 terminated by either the patient or the provider all of the
32 following apply:

33 (a) Within thirty calendar days of the date of the notice of
34 termination from either party, the provider shall refund all
35 unearned service charges to the patient.

1 (b) Within thirty calendar days of the date of the notice
2 of termination from either party, the patient shall pay all
3 outstanding earned service charges to the provider.

4 (11) Include a notice in bold, twelve-point type that states
5 substantially as follows:

6 NOTICE. This direct health care agreement is not health
7 insurance and is not a plan that provides health coverage for
8 purposes of any federal mandates. This direct health care
9 agreement only covers the health care services described in
10 this agreement. It is recommended that you obtain health
11 insurance to cover health care services not covered under this
12 direct health care agreement. You are personally responsible
13 for the payment of any additional health care expenses you may
14 incur.

15 b. The provider shall provide the patient, or the patient's
16 representative, with a fully executed copy of the direct health
17 care agreement at the time the direct health care agreement is
18 executed.

19 3. *Application for a direct health care agreement.* If
20 a provider requires a prospective patient to complete an
21 application for a direct health care agreement, the provider
22 shall provide a written disclaimer on each application that
23 informs the prospective patient of the patient's financial
24 rights and responsibilities and that states that the provider
25 will not bill a health insurance carrier for health care
26 services covered under the direct health care agreement. The
27 disclaimer shall also include the identical notice required by
28 subsection 2, paragraph "a", subparagraph (11).

29 4. *Notice required for changes to the terms or conditions of*
30 *a direct health care agreement.*

31 a. A provider shall provide at least a sixty-calendar-day
32 advance, written notice to a patient of any of the following
33 changes to a direct health care agreement:

34 (1) Any change in the scope of the health care services
35 covered under the agreement.

1 (2) Any change in the provider's locations where the patient
2 may access health care services.

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

5 (4) Any change in the service charge.

6 (5) Any change in the additional costs for health care
7 services not covered by the service charge.

8 (6) Any change in the renewal terms.

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

10 *b.* A provider shall provide the notice by mailing a letter
11 to the last known address of the patient that the provider has
12 on file. The postmark date on the letter shall be the first day
13 of the required sixty-calendar-day notice period.

14 5. *Discrimination based on an individual's health status.* A
15 provider shall not refuse to accept a new patient or
16 discontinue care of an existing patient based solely on the new
17 patient's or the existing patient's health status.

18 6. *A direct health care agreement is not insurance.*

19 *a.* A direct health care agreement shall be deemed to not
20 be insurance and shall not be subject to the authority of the
21 commissioner of insurance. Neither a provider or an agent of a
22 provider shall be required to be licensed by the commissioner
23 to transact the business of insurance in this state, or to
24 obtain a certificate issued by the commissioner to market or
25 offer a direct health care agreement.

26 *b.* A provider shall not bill an insurer for a health care
27 service provided under a direct health care agreement. A
28 patient may submit a request for reimbursement to an insurer
29 if permitted under the patient's policy of insurance. This
30 paragraph does not prohibit a provider from billing a patient's
31 insurance for a health care service provided to the patient by
32 the provider that is not covered under the direct health care
33 agreement.

34 7. *Third-party payment of a service charge.* A provider
35 may accept payment of a service charge for a patient either

1 directly or indirectly from a third party. A provider may
2 accept all or part of a service charge paid by an employer
3 on behalf of an employee who is a patient of the provider.
4 A provider shall not enter directly into an agreement with
5 an employer relating to a health care agreement between the
6 provider and employees of the employer, other than an agreement
7 to establish the timing and method of the payment of a service
8 charge paid by the employer on behalf of the employee.

9 8. *Sale or transfer of a direct health care agreement.* A
10 direct health care agreement shall not be sold or transferred
11 by a provider without the prior written consent of the patient
12 who is a party to the direct health care agreement. A patient
13 shall not sell or transfer a direct health care agreement to
14 which the patient is a party.

15 Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate
16 importance, takes effect upon enactment.

17 Sec. 3. APPLICABILITY. This Act applies to direct health
18 care agreements that are fully executed on or after the date
19 of enactment.

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with
22 the explanation's substance by the members of the general assembly.

23 This bill relates to direct health care agreements.

24 Current law allows certain primary care health professionals
25 to enter into a direct primary care agreement with a patient
26 to provide certain primary care health services for a set
27 service charge that covers a specific period of time. The bill
28 broadens the types of health care professionals that may enter
29 into a direct health care agreement to include health care
30 professionals that perform health care services. "Health care
31 services" is defined in the bill as services for the diagnosis,
32 prevention, treatment, cure, or relief of a health condition,
33 illness, injury, or disease, and includes dental care services.

34 The bill takes effect upon enactment and applies to direct
35 health care agreements that are fully executed on or after the

1 date of enactment.