

IN THE SENATE

SENATE BILL NO. 1062

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO HEALTH CARE; AMENDING TITLE 39, IDAHO CODE, BY THE ADDITION OF
2 A NEW CHAPTER 92, TITLE 39, IDAHO CODE, TO PROVIDE A SHORT TITLE, TO
3 DECLARE PUBLIC POLICY AND TO PROVIDE THAT DIRECT CARE AGREEMENTS DO
4 NOT CONSTITUTE INSURANCE, TO DEFINE TERMS, TO SPECIFY THAT DIRECT CARE
5 AGREEMENTS INCLUDE CERTAIN PROVISIONS, TO PROHIBIT MEDICAL PROVIDERS
6 FROM BILLING INSURERS FOR DIRECT MEDICAL SERVICES, TO PROVIDE THAT DI-
7 RECT CARE AGREEMENTS SHALL NOT BE REGULATED AS INSURANCE, TO PROVIDE
8 THAT DIRECT CARE AGREEMENTS INCLUDE A DISCLAIMER AND TO RESTRICT SALES
9 OR TRANSFERS OF DIRECT CARE AGREEMENTS.
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11 Be It Enacted by the Legislature of the State of Idaho:

12 SECTION 1. That Title 39, Idaho Code, be, and the same is hereby amended
13 by the addition thereto of a NEW CHAPTER, to be known and designated as Chap-
14 ter 92, Title 39, Idaho Code, and to read as follows:

15 CHAPTER 92
16 IDAHO DIRECT MEDICAL CARE ACT

17 39-9201. SHORT TITLE. This chapter shall be known and may be cited as
18 the "Idaho Direct Medical Care Act."

19 39-9202. PUBLIC POLICY. It is the policy of the state of Idaho to
20 promote personal responsibility for health care and the cost-effective
21 delivery of medical services by encouraging innovative use of direct pa-
22 tient-provider practices for primary and specialty medical care. Direct
23 patient-provider practices utilize a model of periodic fees for provider
24 access and medical management over time, rather than simply a fee for visit
25 or procedure service model. Some patients and medical providers may wish to
26 establish direct relationships with one another as an alternative to tradi-
27 tional fee-for-service care financed through health insurance. The purpose
28 of this act is to confirm that direct patient-provider arrangements that
29 satisfy the provisions of this chapter do not constitute insurance.

30 39-9203. DEFINITIONS. For purposes of this chapter, the following
31 definitions apply:

32 (1) "Direct care agreement" means a written contract between a medical
33 provider and an individual patient or a patient's representative in which
34 the medical provider agrees to provide direct medical services to the pa-
35 tient over a specified period of time for payment of a direct fee.

36 (2) "Direct fee" means an agreed-upon fee charged by a medical provider
37 as consideration for providing and being available to provide direct medical
38 services described in a direct care agreement.

1 (3) "Direct medical services" means those services a medical provider
2 is licensed or otherwise authorized by law to provide in the state of Idaho
3 and that are set forth as the services to be provided by the medical provider
4 to the patient in the direct care agreement.

5 (4) "Medical provider" means a person licensed or otherwise legally au-
6 thorized to provide health care services in the state of Idaho, who provides
7 such services either alone or in professional association with others in a
8 form and within a scope permitted by such licensure or authorization for the
9 provision of such services, and who enters into a direct care agreement.

10 (5) "Patient" means a person who is entitled to receive direct medical
11 services under a direct care agreement.

12 (6) "Patient's representative" means a person identified in section
13 39-4504(1) (a) through (g), Idaho Code.

14 39-9204. DIRECT CARE AGREEMENT PROVISIONS. (1) A direct care agree-
15 ment shall identify:

16 (a) The medical provider and the patient;

17 (b) The general scope of services as well as the specific services to be
18 provided by the medical provider;

19 (c) The location or locations where services are to be provided and
20 whether out-of-office services are included;

21 (d) The amount of the direct fee and the time interval at which it is to
22 be paid; and

23 (e) The term of the agreement and the conditions upon which it may be
24 terminated by the medical provider. The agreement shall be terminable
25 at will by written notice from the patient to the medical provider.

26 (2) If a party provides written notice of termination of the direct care
27 agreement, the medical provider shall refund to the patient all unearned di-
28 rect fees within thirty (30) days following the notice of termination.

29 39-9205. INSURANCE BILLING PROHIBITED. A medical provider shall not
30 bill an insurer for the services provided under a direct care agreement; how-
31 ever, a patient may submit a request for reimbursement to an insurer if per-
32 mitted under a policy of insurance. This limitation does not prohibit a di-
33 rect medical care provider from billing insurance for services not provided
34 under a direct care agreement.

35 39-9206. AGREEMENTS NOT CLASSIFIED AS INSURANCE. Direct care agree-
36 ments are not subject to regulation as insurance under title 41, Idaho Code.

37 39-9207. DISCLAIMER. A direct care agreement shall include the fol-
38 lowing disclaimer: "This agreement does not provide comprehensive health
39 insurance coverage. It provides only the services described herein. It is
40 recommended that insurance be obtained to cover medical services not pro-
41 vided for under this direct care agreement."

42 39-9208. RESTRICTIONS ON TRANSFER. A direct care agreement may not be
43 sold or transferred by either party without the written consent of the other
44 party to the agreement. A direct care agreement may not be sold to a group,
45 employer or group of subscribers because it is an individual agreement be-

1 tween a medical provider and a patient. These limitations do not prohibit
2 the presentation of marketing materials to groups of potential patients or
3 their representatives.