
Health Care & Wellness Committee

SSB 5436

Brief Description: Concerning direct patient-provider primary care practice arrangements.

Sponsors: Senate Committee on Health & Long-Term Care (originally sponsored by Senators Murray, Keiser, Pflug, Marr, Parlette, Kastama and Roach).

<p style="text-align: center;">Brief Summary of Substitute Bill</p> <ul style="list-style-type: none">• Removes restrictions on direct patient-provider primary care practices related to lab and imaging services, accepting payments from insurers, self-insured plans, and employer third parties.
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Hearing Date: 3/24/09

Staff: Dave Knutson (786-7146)

Background:

Legislation passed in 2007 created a new chapter in Title 48 for direct patient-provider primary health care practices. The direct practices were explicitly exempted from the definition of health care service contractors in insurance law. Direct practices furnish primary care services in exchange for a direct fee from a patient. Services are limited to primary care including screening, assessment, diagnosis, and treatment for the purpose of promotion of health, and detection and management of disease or injury. Direct practices are allowed to pay for charges associated with routine lab and imaging services provided in connection with wellness physical examinations. Direct practices are prevented from accepting payments for services provided to direct care patients from regulated insurance carriers, all insurance programs administered by the Health Care Authority, or self-insured plans. Direct practices may accept payment of direct fees directly or indirectly from non-employer third parties, but are prevented from selling their direct practice agreements directly to employer groups.

Beginning December 1, 2009, the Office of the Insurance Commissioner (OIC) must begin reporting to the Legislature annually on direct practices, including participation trends and

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complaints received. By December 1, 2012, the OIC must submit a study of direct care practices including the impact on access to primary health care services, premium costs for traditional health insurance, and network adequacy.

Summary of Bill:

Direct practices furnishing primary care are allowed to pay for charges associated with routine lab and imaging services. The restriction that these services be limited to wellness examinations is removed. The restrictions on accepting payments for services from insurers is lifted in part, and direct practices are allowed to accept payments from self-insured plans. The limit on direct practices accepting payment of direct fees from employer third parties is lifted, and direct practices are allowed to accept payment for direct fees directly or indirectly from all third parties.

A direct practice may accept a direct fee paid by an employer; however, the agreements between the practice and employer must be limited to the timing and method of payment.

The OIC must work with the Health Maintenance Organizations to determine how they can operate as a direct practice. Recommendations for statutory changes are due to the Legislature by December 1, 2009.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.