

# SENATE BILL REPORT

## ESSB 6062

---

As Passed Senate, February 17, 2020

**Title:** An act relating to direct primary care oversight.

**Brief Description:** Concerning direct primary care oversight.

**Sponsors:** Senate Committee on Health & Long Term Care (originally sponsored by Senators Becker and Short).

**Brief History:**

**Committee Activity:** Health & Long Term Care: 1/15/20, 1/20/20 [DPS].

**Floor Activity:**

Passed Senate: 2/17/20, 48-0.

**Brief Summary of Engrossed First Substitute Bill**

- Expires requirements for direct practices to submit an annual statement on December 31, 2020.
- Requires direct practices to register with the insurance commissioner (commissioner) and file updates to direct agreements beginning January 1, 2021.

---

### SENATE COMMITTEE ON HEALTH & LONG TERM CARE

**Majority Report:** That Substitute Senate Bill No. 6062 be substituted therefor, and the substitute bill do pass.

Signed by Senators Cleveland, Chair; Randall, Vice Chair; O'Ban, Ranking Member; Becker, Conway, Dhingra, Frockt, Keiser, Muzzall, Rivers and Van De Wege.

**Staff:** Evan Klein (786-7483)

**Background:** A direct primary care practice (direct practice) is a provider, group of providers, or entity that:

- charges a fee for primary care services;
- provides only primary care, and does not cover hospitalization costs, major surgery, dialysis, rehabilitation services, procedures requiring general anesthesia, high level radiology, or similar advanced procedures;

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

- describes the services it provides and fees that it charges in written agreements with patients; and
- does not bill insurance.

Direct practices are not considered insurance and are therefore exempt from most insurance laws.

Direct practices must submit annual statements to the Office of the Insurance Commissioner specifying the number of providers in the practice, the total number of patients being served, the average direct fee being charged, the providers' names, and the business address of the practice. A provider may not act as a direct practice in Washington unless they submit this annual statement. The commissioner must annually report to the Legislature on direct practices.

**Summary of Engrossed First Substitute Bill:** Requirements for direct practices to submit an annual statement to the commissioner and for the commissioner to annually report to the Legislature on direct practices, are expired on December 31, 2020.

Beginning January 1, 2021, direct practices are required to register with the commissioner no later than 30 days prior to engaging in direct practice. To obtain a registration, the direct practice must submit an application to the commissioner containing:

- a list of providers' names;
- the business address of the practice;
- all direct agreements; and
- a written affirmation that the direct practice provider has read and understands their obligations.

Direct practices that filed an annual statement during calendar year 2020 will be automatically registered.

Registered direct practices must notify the commissioner of a change of address or a discontinuation of the practice, and must file updated direct agreements following any material change to the agreement.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: A number of states have discussed the cost of regulation and this bill is an attempt to decrease the cost of direct primary care to the patient. If the annual report is not adding any value, it makes sense to remove this reporting requirement.

OTHER: There is support for having the annual report eliminated. The reporting requirement makes a provider report the number of patients they have, the fees they charge, and other information about the practice. There are 34 direct practices serving over 14,000 patients in Washington. The hope is for this bill to remain in RCW 48 so that it is clear that direct practices are not insurers.

**Persons Testifying:** PRO: Senator Randi Becker, Prime Sponsor.

OTHER: Lisa Thatcher, on behalf of Dr. Garrison Bliss.

**Persons Signed In To Testify But Not Testifying:** No one.