FINAL BILL REPORT
E2SSB 5958

C 267 L 07
Synopsis as Enacted

Brief Description: Creating innovative primary health care delivery.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Keiser, Parlette, Marr and Kohl-Welles).

Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means
House Committee on Health Care & Wellness

Background: Retainer health care, sometimes known as concierge medicine or direct patient-provider practices, is an approach to medical practice in which physicians charge their patients a fee or retainer in exchange for enhanced services or amenities. Retainer practices typically care for fewer patients than conventional practices and provide personalized health care services that may include same-day appointments, comprehensive annual physicals, home visits, immediate access to a physician via phone or pager, or other services.

A recent review by the U.S. Government Accountability Office indicates there are a small but growing number of retainer practices, and they are largely concentrated on the west and east coasts. A disproportionate number are in Washington State, where the idea appears to have been initiated in 1996.

The Office of the Insurance Commissioner (OIC) has determined that health care providers engaged in direct patient billing or retainer health care are subject to current state law governing health care service contractors, but believes the full scope of regulation under this law is neither practical nor warranted.

Summary: Direct patient-provider primary care practices are explicitly exempted from the definition of health care service contractors in insurance law. Direct practices are defined as providers or entities furnishing primary health care services, as outlined in a direct agreement, for a monthly fee. Primary care means routine health care services, including screening, assessment, diagnosis, and treatment for the promotion of health, and detection and management of disease or injury. Services covered under the direct fee may not include hospitalization, major surgery, dialysis, high level radiology, rehabilitation services, procedures requiring general anesthesia, or similar advanced procedures, services, or supplies.

The direct fee must represent the total amount for services specified in the agreement, and providers may charge additional fees for supplies, medications, and specific vaccines that are not covered by the direct agreement. The direct fee schedule may not be increased more frequently than annually, and fees for comparable services must not vary from patient to patient. Providers may sign participating provider contracts with insurance carriers to ensure patients have access to referrals to other participating providers, but direct practice providers may not submit claims for services provided to direct patients.

Standards describing the direct practices are placed in Title 48 insurance laws; however, the direct practices are not insurance carriers, and they may not sell their product to groups like an insurance carrier. Direct practices must register annually with the Office of Insurance Commissioner (OIC), and the Commissioner will be the lead agency for consumer protection concerns. Beginning December 1, 2009, the OIC must report annually to the Legislature on direct care practices, including participation trends and complaints received . By December 1, 2012, the OIC must submit a study of direct care practices to the Legislature, including the impact on access to primary health care services, premium costs for traditional health insurance, and network adequacy.

Votes on Final Passage:

Senate	38	10	
House	90	5	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 22, 2007