

1 HB309  
2 182660-1  
3 By Representatives Ledbetter, Hanes, Ainsworth, Shedd, Pettus,  
4 Patterson, Fincher, Williams (JW), Sanderford, Crawford,  
5 Lovvorn, Garrett, Drake, Carns, Ford, Brown, Holmes (M),  
6 Johnson (K) and Wood  
7 RFD: Health  
8 First Read: 23-FEB-17

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8 SYNOPSIS: This bill would define an agreement between  
9 a physician or dentist and a patient to provide  
10 health care or dental services to the patient for  
11 an agreed upon fee and time period as a physician  
12 agreement or dentist agreement and would provide  
13 that the agreement is not insurance.

14 This bill would provide that a physician or  
15 dentist offering, marketing, selling, or entering  
16 into physician or dentist agreements is not  
17 required to obtain a license or certificate of  
18 authority from any state entity and would require  
19 that the agreement meet certain requirements.

20 This bill would also establish minimum  
21 requirements for physician agreements and dentist  
22 agreements and would provide for the discontinuance  
23 of care for a patient under an agreement under  
24 certain conditions.

25  
26 A BILL  
27 TO BE ENTITLED

1 AN ACT

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3 Relating to health care; to provide that a physician  
4 agreement or dentist agreement, as defined, is not to be  
5 regulated as insurance; to provide that a physician or dentist  
6 offering, marketing, selling, or entering into a physician or  
7 dentist agreement is not required to obtain a license or  
8 certificate of authority; to require that a physician  
9 agreement and dentist agreement meet certain requirements; and  
10 to provide for the discontinuance of care for a patient under  
11 an agreement under certain conditions.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. This act shall be known and may be cited  
14 as the Alabama Physicians and Dentists Direct Pay Act.

15 Section 2. (a) For the purposes of this section, the  
16 following words shall have the following meanings:

17 (1) DENTIST. A person licensed to practice dentistry  
18 in this state.

19 (2) DENTIST AGREEMENT or AGREEMENT. A contract  
20 between a dentist and a patient or his or her legal  
21 representative in which the dentist or the dentist's medical  
22 practice agrees to provide dental services to the patient for  
23 an agreed upon fee and period of time.

24 (3) DENTIST PRACTICE. A dentist or a dental practice  
25 of a dentist that charges a periodic fee for dental services  
26 and which does not bill a third party any additional fee for  
27 services for patients covered under a dental agreement. The

1 per visit charge of the practice shall be less than the  
2 monthly equivalent of the periodic fee.

3 (4) PHYSICIAN. A person licensed to practice  
4 medicine in this state.

5 (5) PHYSICIAN AGREEMENT or AGREEMENT. A contract  
6 between a physician and a patient or his or her legal  
7 representative in which the physician or the physician's  
8 medical practice agrees to provide health care services to the  
9 patient for an agreed upon fee and period of time.

10 (6) PHYSICIAN PRACTICE. A physician or medical  
11 practice of a physician that charges a periodic fee for  
12 medical services and which does not bill a third party any  
13 additional fee for services for patients covered under a  
14 medical agreement. The per visit charge of the practice shall  
15 be less than the monthly equivalent of the periodic fee.

16 (b) A physician agreement or dentist agreement is  
17 not insurance, may not be deemed an insurance arrangement, and  
18 is not subject to state insurance laws.

19 (c) A patient or legal representative shall not  
20 forfeit any insurance benefits or Medicare benefits by  
21 purchasing medical services or products outside the system.

22 (d) A physician or dentist offering, marketing,  
23 selling, or entering into a physician agreement or dentist  
24 agreement may not be required to obtain a certificate of  
25 authority or license other than to maintain a current license  
26 to practice medicine or dentistry in this state.

1 (e) A physician agreement or dentist agreement is  
2 not a discount medical plan.

3 (f) To be considered a physician agreement or  
4 dentist agreement for the purposes of this section, the  
5 agreement shall satisfy all of the following:

6 (1) Be in writing.

7 (2) Be signed by a physician or dentist, or agent of  
8 the physician or dentist, and the patient or his or her legal  
9 representative.

10 (3) Allow either party to terminate the agreement  
11 upon written notice of at least 30 days to the other party.

12 (4) Describe the scope of health care or dental  
13 services that are covered by the periodic fee.

14 (5) Specify the periodic fee and any additional fees  
15 outside of the periodic fee for ongoing health care or dental  
16 services.

17 (6) Specify the duration of the agreement and any  
18 automatic renewal periods and require that no more than 12  
19 months of the periodic fee be paid in advance.

20 (7) Prominently state in writing that is  
21 conspicuously visible and in bold font all of the following:

22 a. The agreement does not constitute health  
23 insurance of the laws of this state.

24 b. An uninsured patient that enters into an  
25 agreement may still be subject to tax penalties under the  
26 Patient Protection and Affordable Care Act, Public Law  
27 111-148, for failing to obtain insurance.

1           c. Patients insured by health insurance plans that  
2 are compliant with the Patient Protection and Affordable Care  
3 Act already have coverage for certain preventive care benefits  
4 at no cost to the patient.

5           d. Payments made by a patient for services rendered  
6 under a physician agreement or dentist agreement may not count  
7 toward the patient's health insurance deductibles and maximum  
8 out-of-pocket expenses.

9           e. A patient is encouraged to consult with the  
10 patient's health insurance plan before entering into the  
11 agreement and receiving care.

12           (8) Provide that, upon termination of the agreement  
13 by the patient, all unearned fees are to be returned to the  
14 patient.

15           (g) A physician or dentist providing health care or  
16 dental services under a physician agreement or dentist  
17 agreement may decline to accept a patient if, in the  
18 physician's or dentist's opinion, the patient's medical  
19 condition is such that the provider is unable to provide the  
20 appropriate level and type of health care or dental services  
21 the patient requires. The physician or dentist may discontinue  
22 care for patients under the physician agreement or dental  
23 agreement under any of the following conditions:

24           (1) The patient fails to pay the periodic fee.

25           (2) The patient has performed an act of fraud.

26           (3) The patient repeatedly fails to adhere to the  
27 recommended treatment plan.

1                   (4) The patient is abusive or presents an emotional  
2 or physical danger to the staff or other patients of the  
3 physician practice or dentist practice.

4                   (5) The physician or dentist or the physician's or  
5 dentist's medical practice discontinues operation as a  
6 physician practice or dentist practice.

7                   (6) Any other condition consistent with the Alabama  
8 Medical Practice Act or the rules of the Alabama Board of  
9 Medical Examiners and the Alabama Medical Licensure  
10 Commission, or the Alabama Dental Practice Act and the rules  
11 of the Alabama Board of Dental Examiners.

12                   Section 3. This act shall become effective on the  
13 first day of the third month following its passage and  
14 approval by the Governor, or its otherwise becoming law.