

1 SB94
2 180350-2
3 By Senator Orr
4 RFD: Health and Human Services
5 First Read: 07-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; to
10 provide penalties for physicians and dentists who breach an
11 agreement; and to provide for the discontinuance of care for a
12 patient under an agreement under certain conditions.

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

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

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

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

25 (3) DENTIST PRACTICE. A dentist or dentist's medical
26 practice that charges a periodic fee for dental services, does
27 not bill any third party on a fee for service basis, and whose

1 per visit charge is less than the monthly equivalent of the
2 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 physician's
11 medical practice that charges a periodic fee for services,
12 does not bill any third party on a fee for service basis, and
13 whose per visit charge is less than the monthly equivalent of
14 the periodic fee.

15 (b) A physician agreement or dentist agreement is
16 not insurance, may not be deemed an insurance arrangement, and
17 is not subject to state insurance laws, provided that the
18 direct financial relationship with a patient does not exceed
19 an annual fee of the following:

20 (1) For physicians: Six thousand dollars (\$6,000),
21 adjusted annually by the rate of change in the Consumer Price
22 Index as reported by the Bureau of Labor Statistics of the
23 United States Department of Labor.

24 (2) For dentists: Three thousand dollars (\$3,000),
25 adjusted annually by the rate of change in the Consumer Price
26 Index as reported by the Bureau of Labor Statistics of the
27 United States Department of Labor.

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

4 (d) A physician or dentist offering, marketing,
5 selling, or entering into a physician agreement or dentist
6 agreement may not be required to obtain a certificate of
7 authority or license other than to maintain a current license
8 to practice medicine or dentistry in this state.

9 (e) A physician agreement or dentist agreement is
10 not a discount medical plan.

11 (f) To be considered a physician agreement or
12 dentist agreement for the purposes of this section, the
13 agreement shall satisfy all of the following:

14 (1) Be in writing.

15 (2) Be signed by a physician or dentist, or agent of
16 the physician or dentist, and the patient or his or her legal
17 representative.

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

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

22 (5) Specify the periodic fee and any additional fees
23 outside of the periodic fee for ongoing health care or dental
24 services.

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

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

3 a. The agreement does not constitute health
4 insurance of the laws of this state.

5 b. An uninsured patient that enters into an
6 agreement may still be subject to tax penalties under the
7 Patient Protection and Affordable Care Act, Public Law
8 111-148, for failing to obtain insurance.

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

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

17 e. A patient is encouraged to consult with the
18 patient's health insurance plan before entering into the
19 agreement and receiving care.

20 f. A physician who breaches the agreement may be
21 liable for damages and may be subject to professional
22 discipline by the appropriate professional licensing board.

23 (8) Provide that, upon termination of the agreement
24 by the patient, all unearned fees are to be returned to the
25 patient.

26 (g) A physician or dentist providing health care or
27 dental services under a physician agreement or dentist

1 agreement may decline to accept a patient if, in the
2 physician's or dentist's opinion, the patient's medical
3 condition is such that the provider is unable to provide the
4 appropriate level and type of health care or dental services
5 the patient requires. The physician or dentist may discontinue
6 care for patients under the physician agreement or dental
7 agreement under any of the following conditions:

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

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

10 (3) The patient repeatedly fails to adhere to the
11 recommended treatment plan.

12 (4) The patient is abusive and presents an emotional
13 or physical danger to the staff or other patients of the
14 physician practice or dentist practice.

15 (5) The physician or dentist or the physician's or
16 dentist's medical practice discontinues operation as a
17 physician practice or dentist practice.

18 (h) A physician or dentist who breaches an agreement
19 may be liable for damages and subject to discipline by the
20 Alabama Board of Medical Examiners or the Board of Dental
21 Examiners of Alabama.

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