

1 SB94
2 180350-4
3 By Senator Orr
4 RFD: Health and Human Services
5 First Read: 07-FEB-17

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

10
11 Relating to health care; to provide that a physician
12 agreement or dentist agreement, as defined, is not to be
13 regulated as insurance; to provide that a physician or dentist
14 offering, marketing, selling, or entering into a physician or
15 dentist agreement is not required to obtain a license or
16 certificate of authority; to require that a physician
17 agreement and dentist agreement meet certain requirements; to
18 provide penalties for physicians and dentists who breach an
19 agreement; and to provide for the discontinuance of care for a
20 patient under an agreement under certain conditions.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

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

26 (1) DENTIST. A person licensed to practice dentistry
27 in this state.

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

6 (3) DENTIST PRACTICE. A dentist or a dental practice
7 of a dentist that charges a periodic fee for dental services
8 and which does not bill a third party any additional fee for
9 services for patients covered under a dental agreement. The
10 per visit charge of the practice shall be less than the
11 monthly equivalent of the periodic fee.

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

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

19 (6) PHYSICIAN PRACTICE. A physician or medical
20 practice of a physician that charges a periodic fee for
21 medical services and which does not bill a third party any
22 additional fee for services for patients covered under a
23 medical agreement. The per visit charge of the practice shall
24 be less than the monthly equivalent of the periodic fee.

25 (b) A physician agreement or dentist agreement is
26 not insurance, may not be deemed an insurance arrangement, and
27 is not subject to state insurance laws.

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

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

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

12 (d) A physician or dentist offering, marketing,
13 selling, or entering into a physician agreement or dentist
14 agreement may not be required to obtain a certificate of
15 authority or license other than to maintain a current license
16 to practice medicine or dentistry in this state.

17 (e) A physician agreement or dentist agreement is
18 not a discount medical plan.

19 (f) To be considered a physician agreement or
20 dentist agreement for the purposes of this section, the
21 agreement shall satisfy all of the following:

22 (1) Be in writing.

23 (2) Be signed by a physician or dentist, or agent of
24 the physician or dentist, and the patient or his or her legal
25 representative.

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

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

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

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

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

11 a. The agreement does not constitute health
12 insurance of the laws of this state.

13 b. An uninsured patient that enters into an
14 agreement may still be subject to tax penalties under the
15 Patient Protection and Affordable Care Act, Public Law
16 111-148, for failing to obtain insurance.

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

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

25 e. A patient is encouraged to consult with the
26 patient's health insurance plan before entering into the
27 agreement and receiving care.

1 (8) Provide that, upon termination of the agreement
2 by the patient, all unearned fees are to be returned to the
3 patient.

4 (g) A physician or dentist providing health care or
5 dental services under a physician agreement or dentist
6 agreement may decline to accept a patient if, in the
7 physician's or dentist's opinion, the patient's medical
8 condition is such that the provider is unable to provide the
9 appropriate level and type of health care or dental services
10 the patient requires. The physician or dentist may discontinue
11 care for patients under the physician agreement or dental
12 agreement under any of the following conditions:

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

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

15 (3) The patient repeatedly fails to adhere to the
16 recommended treatment plan.

17 (4) The patient is abusive or presents an emotional
18 or physical danger to the staff or other patients of the
19 physician practice or dentist practice.

20 (5) The physician or dentist or the physician's or
21 dentist's medical practice discontinues operation as a
22 physician practice or dentist practice.

23 (6) Any other condition consistent with the Alabama
24 Medical Practice Act or the rules of the Alabama Board of
25 Medical Examiners and the Alabama Medical Licensure
26 Commission, or the Alabama Dental Practice Act and the rules
27 of the Alabama Board of Dental Examiners.

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

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Senate

Read for the first time and referred to the Senate
committee on Health and Human Services..... 07-FEB-17

Read for the second time and placed on the calen-
dar 1 amendment..... 09-FEB-17

Read for the third time and passed as amended 07-MAR-17

Yeas 27
Nays 0

Patrick Harris,
Secretary.