
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1739 Session of
2017

INTRODUCED BY BAKER, LONGIETTI, CAUSER, CUTLER, GROVE, MILLARD,
WHEELAND, ZIMMERMAN, PICKETT, EVERETT, KAUFFMAN, PHILLIPS-
HILL AND DUNBAR, AUGUST 24, 2017

REFERRED TO COMMITTEE ON HEALTH, AUGUST 24, 2017

AN ACT

1 Providing for direct primary care, medical service agreements
2 and insurance, for medical service agreement requirements,
3 for use of health savings accounts or flexible spending
4 accounts and for use of other health care practitioners.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Medical
9 Service Agreement Act.

10 Section 2. Definitions.

11 The following words and phrases when used in this act shall
12 have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Department." The Insurance Department of the Commonwealth.

15 "Direct fee." A fee charged by a physician to a patient or a
16 patient's designee for primary medical care services provided
17 by, or to be provided by, the physician to the patient. The term
18 includes a fee in any form, including any of the following:

- 1 (1) A monthly retainer.
- 2 (2) A membership fee.
- 3 (3) A subscription fee.
- 4 (4) A fee paid under a medical service agreement.
- 5 (5) A fee for a service, visit or episode of care.

6 "Direct primary care." A primary medical care service
7 provided by a physician to a patient in return for payment in
8 accordance with a direct fee.

9 "Health care practitioner." An individual who is authorized
10 to practice some component of the healing arts by a license,
11 permit, certificate or registration issued by a Commonwealth
12 licensing agency or board.

13 "Medical service agreement." A signed written agreement
14 under which a physician agrees to provide direct primary care
15 services for a patient for a period of time in exchange for a
16 direct fee and which is entered into by the physician and any of
17 the following:

- 18 (1) The patient.
- 19 (2) The patient's legal representative, guardian or
20 employer on behalf of the patient.
- 21 (3) The legal representative of the patient's employer
22 or guardian on behalf of the patient.

23 "Physician." Any person licensed to practice medicine in
24 this Commonwealth. The term includes medical doctors and doctors
25 of osteopathy.

26 "Primary medical care service." A routine or general health
27 care service of the type provided at the time a patient seeks
28 preventative care or first seeks health care services for a
29 specific health concern and is a patient's main source for
30 regular health care services. The term includes health care

1 services provided for any of the following purposes:

2 (1) Promoting and maintaining mental and physical health
3 and wellness.

4 (2) Preventing disease.

5 (3) Screening, diagnosing and treating acute or chronic
6 conditions caused by disease, injury or illness.

7 (4) Providing patient counseling and education.

8 (5) Providing a broad spectrum of preventative and
9 curative health care over a period of time.

10 Section 3. Direct primary care, medical service agreements and
11 insurance.

12 (a) Direct primary care.--A physician providing direct
13 primary care based on a medical service agreement shall not be
14 considered an insurer or health maintenance organization under
15 the laws of this Commonwealth, and the physician shall be not
16 subject to regulation by the department for direct primary care.

17 (b) Medical service agreements.--A medical service agreement
18 shall not be considered health or accident insurance or coverage
19 under 40 Pa.C.S. (relating to insurance) and shall not be
20 subject to regulation by the department.

21 (c) Physicians.--A physician shall not be required to obtain
22 a certificate of authority under 40 Pa.C.S. to market, sell or
23 offer a medical service agreement or provide direct primary
24 care.

25 Section 4. Medical service agreement requirements.

26 In order to be considered a medical service agreement under
27 this act, the medical service agreement shall:

28 (1) be in writing;

29 (2) be signed by the patient or patient's legal
30 representative or guardian;

- 1 (3) be signed by the physician;
- 2 (4) allow either party to terminate the medical service
3 agreement upon written notice to the other party;
- 4 (5) describe the specific health care services that are
5 included in the medical service agreement;
- 6 (6) specify the fee for the medical service agreement;
- 7 (7) specify the period of time under the medical service
8 agreement; and
- 9 (8) include the following statement:

10 This agreement does not provide comprehensive health
11 insurance coverage. The agreement only provides for
12 the health care services specifically described.

13 Section 5. Use of health savings accounts or flexible spending
14 accounts.

15 If a patient enters into a medical service agreement under
16 this act, fees under the medical service agreement may be paid
17 or reimbursed by a health savings account or flexible spending
18 account, subject to any Federal or State law regarding qualified
19 expenditures or reimbursement from health savings accounts or
20 flexible spending accounts, if the patient has:

- 21 (1) established a health savings account in compliance
22 with section 223 of Internal Revenue Code of 1986 (Public Law
23 99-514, 26 U.S.C. § 223); or
- 24 (2) a flexible spending account or health reimbursement
25 agreement.

26 Section 6. Use of other health care practitioners.

27 Nothing in this act shall be construed as prohibiting,
28 limiting or otherwise restricting a physician in a collaborative
29 practice from utilizing other health care practitioners in the
30 practice to provide primary care services if the services

1 provided are within the scope of practice of the health care
2 practitioner and the patient is made aware of the use of other
3 health care practitioners.

4 Section 7. Effective date.

5 This act shall take effect in 60 days.