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## DIGEST

Buffington (SB 516)

Proposed law provides for direct primary care practice.

Proposed law defines "board", "direct agreement", "direct fee", "direct patient", "direct patient-provider primary care practice" and "direct practice", "health insurance issuer", "physician", and "primary care".

Proposed law prohibits certain types of discrimination by a direct practice.

Proposed law provides for a direct fee.

Proposed law provides a direct practice shall charge a direct fee on a periodic basis. The amount of the fee and the periodic basis upon which such fee shall be paid shall be included in the provisions of the direct agreement. The fee shall represent the total amount due for all primary care services specified in the direct agreement and may be paid by the direct patient or on his behalf by others.

Proposed law further provides a direct practice shall maintain appropriate accounts and provide a history of payments and services received upon a request of a direct patient. Further provides if a direct patient chooses to pay more than one periodic direct fee in advance, the funds shall be held in a trust account and paid to the direct practice as earned at the beginning of each period. Any unearned direct fees held in trust following receipt of termination of the direct agreement shall be promptly refunded to the direct patient.

Proposed law provides a direct fee schedule applying to an existing direct patient may not be increased over the annual negotiated amount more frequently than annually. A direct practice shall provide advance notice to existing patients of any change within the fee schedule applying to those existing direct patients. A direct practice shall provide notice of any change in the fee not less than 60 days from the date of the change.

Proposed law provides a direct practice shall not:

- (1) Enter into a participating provider contract with any health insurance issuer or with any health insurance issuer's contractor or subcontractor to provide health care services through a direct agreement except as set forth in the proposed law.
- (2) Submit a claim for payment to any health insurance issuer or any health insurance issuer's contractor or subcontractor for health care services provided to direct patients as covered

by their agreement.

- (3) With respect to services provided through a direct agreement, be identified by a health insurance issuer or any health insurance issuer's contractor or subcontractor as a participant in the health insurance issuer's or any health insurance issuer's contractor or subcontractor network for purposes of determining network adequacy or being available for selection by an enrollee under a health insurance issuer's benefit plan.
- (4) Pay for health care services covered by a direct agreement rendered to direct patients by providers other than the providers in the direct practice or their employees, except as described in proposed law.

Proposed law provides a direct practice and provider may:

- (1) Enter into a participating provider contract with a health insurance issuer for purposes other than payment of claims for services provided to direct patients through a direct agreement. Such physicians shall be subject to all other provisions of the participating provider contract applicable to participating providers including but not limited to the right to:
  - (a) Make referrals to other participating providers.
  - (b) Admit the carrier's members to participating hospitals and other health care facilities.
  - (c) Prescribe prescription drugs.
  - (d) Implement other customary provisions of the contract not dealing with reimbursement of services.
- (2) Pay for charges associated with:
  - (a) The provision of routine lab and imaging services.
  - (b) Dispensing, at no additional cost to the direct patient, of prescription drugs prescribed by the direct provider in accordance with state law and regulations promulgated by the Louisiana State Board of Medical Examiners (the board).
- (3) Charge an additional fee to direct patients for supplies, medications, and specific vaccines provided to direct patients that are specifically excluded under the agreement, provided the direct practice notifies the direct patient of the additional charge, prior to their administration or delivery.

Proposed law provides a direct practice shall not decline to accept new direct patients or discontinue care to existing patients solely because of the patient's health status. A direct practice

may decline to accept a patient if the practice has reached its maximum capacity, or if the patient's medical condition is such that the provider is unable to provide the appropriate level and type of health care services in the direct practice.

Proposed law provides as long as a direct practice provides a patient notice and the opportunity to obtain care from another physician, a direct practice may discontinue care for a direct patient if any one of the following conditions is satisfied:

- (1) The patient fails to pay the direct fee under the terms required by the direct agreement.
- (2) The patient has performed an act that constitutes fraud.
- (3) The patient repeatedly fails to comply with the recommended treatment plan.
- (4) The patient is abusive and presents an emotional or physical danger to the staff or other patients of the direct practice.
- (5) The direct practice discontinues operation as a direct practice.

Proposed law provides, subject to the restrictions established in proposed law, a direct practice may accept payment of direct fees directly or indirectly from third parties. A direct practice may accept a direct fee paid by an employer on behalf of an employee who is a direct patient. However, a direct practice shall not enter into a contract with an employer relating to direct practice agreements between the direct practice and employees of that employer other than to establish the timing and method of the payment of the direct fee by the employer.

Proposed law authorizes a direct practice to accept payment of direct fees directly or indirectly from the La. Medical Assistance Program or any entity contracting with the state to provide managed care in the program, subject to any necessary approval from the Centers for Medicare and Medicaid Services.

Proposed law provides a direct practice is not an insurer.

Proposed law provides a person shall not make, publish, or disseminate any false, deceptive, or misleading representation or advertising in the conduct of the business of a direct practice or relative to the business of a direct practice.

Proposed law provides a person shall not make, issue, circulate, or cause to be made, issued, or circulated, a misrepresentation of the terms of any direct agreement, the benefits or advantages promised thereby, or use the name or title of any direct agreement misrepresenting the nature thereof.

Proposed law provides for direct agreement requirements.

Proposed law provides the board may promulgate all rules and regulations which are necessary

and proper to effectuate the proposed law.

Proposed law provides violations of the proposed law shall constitute unprofessional conduct and subject violators to any and all sanctions which may be pursued by the board pursuant to present law.

Effective August 1, 2014.

(Adds R.S. 37:1360.81-1360.91)

### Summary of Amendments Adopted by Senate

#### Senate Floor Amendments to engrossed bill

1. Provides that "direct patient-provider primary care practice" or "direct practice" will not include an organization or an entity that contracts with a primary care practice for the provision of research, technological, operational, and administrative support, but such an entity or an organization does not provide a direct medical care service.
2. Authorizes a direct practice to accept payment of direct fees from the La. Medical Assistance Program or any entity contracting with the state to provide managed care, subject to any necessary approval from the Centers for Medicare and Medicaid Services.
3. Makes technical changes.