

BILL ANALYSIS

Senate Research Center
84R18094 SCL-F

H.B. 1945
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Health & Human Service
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Direct primary care is an innovative model for delivering and purchasing health care services that gives physicians and their patients an alternative to the third-party, fee-for-service system. In most instances, patients have unlimited access to their doctor—in person and by phone or e-mail—for a full range of comprehensive primary care services in exchange for a flat fee.

H.B. 1945 seeks to improve access to direct primary care by providing for these arrangements outside the scope of state insurance regulation.

H.B. 1945 amends current law relating to the provision of direct primary care.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 162, Occupations Code, by adding Subchapter F, as follows:

SUBCHAPTER F. DIRECT PRIMARY CARE

Sec. 162.251. DEFINITIONS. Defines "direct fee," "direct primary care," "medical service agreement," "physician," and "primary medical care service."

Sec. 162.252. APPLICABILITY OF SUBCHAPTER. Provides that this subchapter does not apply to workers' compensation insurance coverage as defined by Section 401.011 (General Definitions), Labor Code.

Sec. 162.253. DIRECT PRIMARY CARE NOT INSURANCE. (a) Provides that a physician providing direct primary care is not an insurer or health maintenance organization, and the physician is not subject to regulation by the Texas Department of Insurance (TDI) for the direct primary care.

(b) Provides that a medical service agreement is not health or accident insurance or coverage under Title 8 (Health Insurance and Other Health Coverages), Insurance Code, and is not subject to regulation by TDI.

(c) Provides that a physician is not required to obtain a certificate of authority under the Insurance Code to market, sell, or offer a medical service agreement or provide direct primary care.

(d) Provides that a physician providing direct primary care does not violate Section 1204.055 (Contractual Responsibility for Deductibles and Copayments), Insurance Code.

Sec. 162.254. BILLING INSURER OR HEALTH MAINTENANCE ORGANIZATION PROHIBITED. Prohibits a physician from billing an insurer or health maintenance organization for direct primary care that is paid under a medical service agreement.

Sec. 162.255. INTERFERENCE PROHIBITED. (a) Prohibits the Texas Medical Board or another state agency from prohibiting, interfering with, initiating a legal or administrative proceeding against, or imposing a fine or penalty against:

(1) a physician solely because the physician provides direct primary care;
or

(2) a person solely because the person pays a direct fee for direct primary care.

(b) Prohibits a health insurer, health maintenance organization, or health care provider as that term is defined by Section 105.001 (Definition) from prohibiting, interfering with, or initiating a legal proceeding against:

(1) a physician solely because the physician provides direct primary care;
or

(2) a person solely because the person pays a direct fee for direct primary care.

SECTION 2. Effective date: upon passage or September 1, 2015.