

## **BILL ANALYSIS**

Senate Research Center  
84R10468 SCL-F

S.B. 1018  
By: Hancock  
Health & Human Services  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 1018 defines direct primary care as health care services and clarifies that these services are not health care. Direct primary care is an innovative model for delivering and purchasing primary care services that gives physicians and their patients an alternative to the third-party, fee-for-service system. In a direct primary care practice, patients get greater access and more time with their physician, and physicians spend more of their time helping patients.

Direct primary care is not a replacement for health insurance but allows a patient to contract for care that they are willing to receive and provide for an agreed price without the interference of a third party. S.B. 1018 will improve access to direct primary care by recognizing these arrangements.

As proposed, S.B. 1018 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. 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. 162.253. 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.