State of Minnesota

# HOUSE OF REPRESENTATIVES

**NINETIETH SESSION**

**H. F. No. 3262**

03/01/2018 Authored by Swedzinski and Lohmer
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

A bill for an act

relating to health care; clarifying that a direct primary care service arrangement is not insurance; amending Minnesota Statutes 2016, sections 62A.01, by adding a subdivision; 62A.011, subdivision 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2016, section 62A.01, is amended by adding a subdivision to read:

Subd. 5. **Direct primary care service arrangements.** (a) A direct primary care service arrangement is not insurance and is not subject to this chapter. Entering into a direct primary care service arrangement is not the business of insurance and is not subject to this chapter or chapter 60A.

(b) A health care provider or agent of a health care provider is not required to obtain a certificate of authority or license under this chapter or chapter 60A, 62C, 62D, or 62N to market, sell, or offer to sell a direct primary care service arrangement that meets the requirements of this subdivision.

(c) To be considered a direct primary care service arrangement for purposes of this subdivision, the arrangement must:

(1) be in writing;

(2) be signed by the health care provider or agent of the health care provider and the patient or the patient's legal representative entering into the arrangement;

(3) describe and quantify the specific primary care services that are included in the arrangement;

(4) specify the fee to be paid to the health care provider for the arrangement;

(5) specify the period of time covered by the arrangement, including the date the arrangement becomes effective and the date the arrangement expires;

(6) prominently state in writing that the arrangement is not health insurance;

(7) prohibit the health care provider and the patient from billing a health carrier or other third-party payer for any of the services provided to the patient under the arrangement; and

(8) prominently state that the patient must pay the provider for all services provided by the provider that are not covered by the arrangement and not otherwise covered by a health plan.

(d) For purposes of this subdivision, the following terms have the meanings given:

(1) "direct primary care service arrangement" means a contract between a health care provider and a patient or the patient's legal representative in which the health care provider agrees to provide specified primary care services as needed by the patient for an agreed-upon fee for a specified period of time stated in the arrangement;

(2) "health care provider" means an individual, health care clinic, or other entity that is licensed, registered, or otherwise authorized to provide primary care services in this state; and

(3) "primary care services" means:

(i) screening, assessment, diagnosis, and treatment for the purpose of the promotion of health or the detection and management of disease or injury;

(ii) medical supplies and prescription drugs that are administered or dispensed in the health care provider's office or clinic; and

(iii) laboratory work, including routine blood screening or routine pathology screening performed by a laboratory that is either associated with the health care provider, or is not associated with the health care provider, but has entered into a contract with the health care provider to provide laboratory work without charging a fee to the patient for the laboratory work.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2016, section 62A.011, subdivision 3, is amended to read:

Subd. 3. **Health plan.** "Health plan" means a policy or certificate of accident and sickness insurance as defined in section 62A.01 offered by an insurance company licensed under

chapter 60A; a subscriber contract or certificate offered by a nonprofit health service plan corporation operating under chapter 62C; a health maintenance contract or certificate offered by a health maintenance organization operating under chapter 62D; a health benefit certificate offered by a fraternal benefit society operating under chapter 64B; or health coverage offered by a joint self-insurance employee health plan operating under chapter 62H. Health plan means individual and group coverage, unless otherwise specified. Health plan does not include coverage that is:

(1) limited to disability or income protection coverage;

(2) automobile medical payment coverage;

(3) liability insurance, including general liability insurance and automobile liability insurance, or coverage issued as a supplement to liability insurance;

(4) designed solely to provide payments on a per diem, fixed indemnity, or non-expense-incurred basis, including coverage only for a specified disease or illness or hospital indemnity or other fixed indemnity insurance, if the benefits are provided under a separate policy, certificate, or contract for insurance; there is no coordination between the provision of benefits and any exclusion of benefits under any group health plan maintained by the same plan sponsor; and the benefits are paid with respect to an event without regard to whether benefits are provided with respect to such an event under any group health plan maintained by the same plan sponsor;

(5) credit accident and health insurance as defined in section 62B.02;

(6) designed solely to provide hearing, dental, or vision care;

(7) blanket accident and sickness insurance as defined in section 62A.11;

(8) accident-only coverage;

(9) a long-term care policy as defined in section 62A.46 or 62S.01;

(10) issued as a supplement to Medicare, as defined in sections 62A.3099 to 62A.44, or policies, contracts, or certificates that supplement Medicare issued by health maintenance organizations or those policies, contracts, or certificates governed by section 1833 or 1876, section 1851, et seq.; or section 1860D-1, et seq., of title XVIII of the federal Social Security Act, et seq., as amended;

(11) workers' compensation insurance;

(12) issued solely as a companion to a health maintenance contract as described in section 62D.12, subdivision 1a, so long as the health maintenance contract meets the definition of a health plan;

(13) coverage for on-site medical clinics; ~~or~~

(14) coverage supplemental to the coverage provided under United States Code, title 10, chapter 55, Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); or

(15) coverage provided under a direct primary care service arrangement described under section 62A.01, subdivision 5.