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**Health Care & Wellness Committee**

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**HB 2420**

**Brief Description:** Repealing the requirement for a study and report concerning direct practices that the office of the insurance commissioner must provide to the legislature.

**Sponsors:** Representatives Cody, Roberts and Upthegrove; by request of Insurance Commissioner.

**Brief Summary of Bill**

- Repeals the requirement for the Commissioner to submit a 2012 study on direct care practices to the Legislature.

**Hearing Date:** 1/30/12

**Staff:** Chris Cordes (786-7103).

**Background:**

Overview of Direct Practices.

Direct patient-provider primary care practices (direct practices) are a health care provider or a group of health care providers that furnish primary care services through a direct agreement with a patient. Under the direct agreement, the direct practice charges a monthly fee in exchange for being available to provide primary care services to the patient. While direct practices are not insurance carriers, they are required to register annually with the Office of the Insurance Commissioner (OIC).

Annual Reports on Direct Practices.

Since October 1, 2007, direct practices have been required to submit annual statements to the OIC with certain information, including the number of providers in the practice, the number of patients served, and the average direct fee being charged. The Insurance Commissioner (Commissioner) must report annually to the Legislature on direct practices including

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participation trends, complaints received, voluntary data reported by the direct practices, and any necessary modifications to the law on direct practices.

#### Commissioner Study of Direct Practices.

In addition to the annual reports, the Commissioner is required to submit to the Legislature, by December 1, 2012, a study of direct care practices. This study must include an analysis of the extent to which direct care practices:

- improve or reduce access to primary health care services;
- provide adequate protection for consumers;
- increase premium costs for individuals covered through traditional health insurance;
- impact a health carrier's ability to meet network adequacy standards; and
- cover a population different from that covered through traditional health insurance.

The study must also examine the extent to which participation in a direct care practice maintains health coverage for conditions not covered by the direct care practice. The Commissioner must make recommendations to the Legislature on whether direct care practice authority should be continued, modified, or repealed.

#### **Summary of Bill:**

The requirement is repealed for the Commissioner to submit a 2012 study on direct care practices to the Legislature.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.