COMMITTEE REPORT

February 13, 2018

**H. 4643**

Introduced by Reps. Thayer, Magnuson, Jefferson, Gagnon, Allison, West, Clyburn, Erickson, Hill, Pitts, Toole and Henegan

S. Printed 2/13/18--H.

Read the first time January 23, 2018.

**THE COMMITTEE ON**

**LABOR, COMMERCE AND INDUSTRY**

To whom was referred a Bill (H. 4643) to amend the Code of Laws of South Carolina, 1976, by adding Section 38‑61‑80 so as to establish that a direct primary care agreement, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

SECTION 1. Chapter 61, Title 38 of the 1976 Code is amended by adding:

“Section 38‑61‑80. (A) A direct primary care agreement is not a contract of insurance in this State and is not subject to regulation by the Department of Insurance.

(B) For purposes of this section:

(1) ‘Direct primary care agreement’ or ‘agreement’ means a written agreement between a patient or the patient’s legal representative and a direct primary care provider in which the provider agrees to provide direct primary care services as defined in this section.

(2) ‘Direct primary care fee’ or ‘fee’ means the fee charged by a direct primary care provider or practice for being available to provide and for providing direct primary care services specified in the direct primary care agreement.

(3) ‘Direct primary care services’ means routine health care services, such as:

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

(b) provision of medical supplies and prescription drugs that are prescribed or dispensed in a health care provider’s office; and

(c) laboratory work including routine blood screening or routine pathology screening performed by a laboratory meeting the requirements of applicable state law.

(4) ‘Direct primary care provider’ means a physician who provides direct primary care services in compliance with this section and is licensed to practice medicine in this State under Chapter 47, Title 40, or a practice of such physicians.

(C) The direct primary care agreement must:

(1) be in writing and signed by the patient or the patient’s legal representative and the direct primary care provider;

(2) allow either party to terminate the agreement in writing, without penalty or payment of a termination fee, by giving the other party at least thirty days’ advance notice;

(3) describe the direct primary care services to be provided in exchange for payment of a fee;

(4) specify the amount of the monthly direct primary care fee for providing direct primary care services under the direct primary care agreement;

(5) specify the amount of any additional fees or charges for services to be provided that will not be covered by the direct primary care fee;

(6) prohibit the direct primary care provider from charging or receiving additional compensation for health care services included in the fee; and

(7) conspicuously and prominently include on the front page of the agreement the following notice initialed by the patient or the patient’s legal representative:

‘THIS AGREEMENT DOES NOT CONSTITUTE INSURANCE AND IS NOT A SUBSTITUTE FOR MAJOR MEDICAL COVERAGE. THIS AGREEMENT COVERS ONLY THE DIRECT PRIMARY CARE SERVICES DESCRIBED IN THIS AGREEMENT. PATIENT WILL BE RESPONSIBLE TO PAY FOR SERVICES NOT SPECIFIED IN THIS AGREEMENT. PATIENT MAY NOT FILE OR OTHERWISE SUBMIT A CLAIM TO, OR RECEIVE REIMBURSEMENT FROM, ANY INSURER FOR SERVICES PROVIDED IN ACCORDANCE WITH A DIRECT PRIMARY CARE AGREEMENT.’

(D) Direct primary care providers shall report to the Department of Consumer Affairs its participation in a direct primary care practice. The form, content, and procedure for this report must be developed in a manner prescribed by the administrator of the Department of Consumer Affairs and must specify, at a minimum, the name and business address of the direct primary care practice and participating physicians. The Department of Consumer Affairs shall make publicly‑available on its website a list of the names and business addresses of all participating direct primary care practices and physicians.

SECTION 2. This act takes effect upon approval by the Governor.

Renumber sections to conform.

Amend title to conform.

WILLIAM E. SANDIFER III for Committee.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 38‑61‑80 SO AS TO ESTABLISH THAT A DIRECT PRIMARY CARE AGREEMENT IS NOT A CONTRACT OF INSURANCE AND NOT SUBJECT TO REGULATION BY THE DEPARTMENT OF INSURANCE, AND TO DEFINE THE TERM DIRECT PRIMARY CARE AGREEMENT.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 61, Title 38 of the 1976 Code is amended by adding:

“Section 38‑61‑80. (A) A direct primary care agreement is not a contract of insurance in this State and is not subject to regulation by the Department of Insurance.

(B) For the purposes of this section, a ‘direct primary care agreement’ means a written agreement between a patient or their legal representative and a health care provider that:

(1) allows either party to terminate the agreement in writing, without penalty or payment of a termination fee, at any time or after a notice period specified in the agreement not to exceed sixty days;

(2) describes the health care services to be provided in exchange for payment of a periodic fee;

(3) prohibits the provider from charging or receiving additional compensation for health care services included in the periodic fee; and

(4) conspicuously and prominently states that the agreement is not health insurance and does not meet any individual health insurance mandate required by federal law.”

SECTION 2. This act takes effect upon approval by the Governor.

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