

1 SB94
2 180350-6
3 By Senator Orr
4 RFD: Health and Human Services
5 First Read: 07-FEB-17

1 SB94

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4 ENROLLED, An Act,

5 Relating to health care; to provide that a physician
6 agreement or dentist agreement, as defined, is not to be
7 regulated as insurance; to provide that a physician or dentist
8 offering, marketing, selling, or entering into a physician or
9 dentist agreement is not required to obtain a license or
10 certificate of authority; to require that a physician
11 agreement and dentist agreement meet certain requirements; to
12 provide penalties for physicians and dentists who breach an
13 agreement; and to provide for the discontinuance of care for a
14 patient under an agreement under certain conditions.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. This act shall be known and may be cited
17 as the Alabama Physicians and Dentists Direct Pay Act.

18 Section 2. (a) For the purposes of this section, the
19 following words shall have the following meanings:

20 (1) DENTIST. A person licensed to practice dentistry
21 in this state.

22 (2) DENTIST AGREEMENT or AGREEMENT. A contract
23 between a dentist and a patient or his or her legal
24 representative in which the dentist or the dentist's medical

1 practice agrees to provide dental services to the patient for
2 an agreed upon fee and period of time.

3 (3) DENTIST PRACTICE. A dentist or a dental practice
4 of a dentist that charges a periodic fee for dental services
5 and which does not bill a third party any additional fee for
6 services for patients covered under a dental agreement. The
7 per visit charge of the practice shall be less than the
8 monthly equivalent of the periodic fee.

9 (4) PHYSICIAN. A person licensed to practice
10 medicine in this state.

11 (5) PHYSICIAN AGREEMENT or AGREEMENT. A contract
12 between a physician and a patient or his or her legal
13 representative in which the physician or the physician's
14 medical practice agrees to provide health care services to the
15 patient for an agreed upon fee and period of time.

16 (6) PHYSICIAN PRACTICE. A physician or medical
17 practice of a physician that charges a periodic fee for
18 medical services and which does not bill a third party any
19 additional fee for services for patients covered under a
20 medical agreement. The per visit charge of the practice shall
21 be less than the monthly equivalent of the periodic fee.

22 (b) A physician agreement or dentist agreement is
23 not insurance, may not be deemed an insurance arrangement, and
24 is not subject to state insurance laws.

1 (c) A patient or legal representative shall not
2 forfeit any insurance benefits or Medicare benefits by
3 purchasing medical services or products outside the system.

4 (d) A physician or dentist offering, marketing,
5 selling, or entering into a physician agreement or dentist
6 agreement may not be required to obtain a certificate of
7 authority or license other than to maintain a current license
8 to practice medicine or dentistry in this state.

9 (e) A physician agreement or dentist agreement is
10 not a discount medical plan.

11 (f) To be considered a physician agreement or
12 dentist agreement for the purposes of this section, the
13 agreement shall satisfy all of the following:

14 (1) Be in writing.

15 (2) Be signed by a physician or dentist, or agent of
16 the physician or dentist, and the patient or his or her legal
17 representative.

18 (3) Allow either party to terminate the agreement
19 upon written notice of at least 30 days to the other party.

20 (4) Describe the scope of health care or dental
21 services that are covered by the periodic fee.

22 (5) Specify the periodic fee and any additional fees
23 outside of the periodic fee for ongoing health care or dental
24 services.

(6) Specify the duration of the agreement and any automatic renewal periods and require that no more than 12 months of the periodic fee be paid in advance.

(7) Prominently state in writing that is conspicuously visible and in bold font all of the following:

a. The agreement does not constitute health insurance of the laws of this state.

b. An uninsured patient that enters into an agreement may still be subject to tax penalties under the Patient Protection and Affordable Care Act, Public Law 111-148, for failing to obtain insurance.

c. Patients insured by health insurance plans that are compliant with the Patient Protection and Affordable Care Act already have coverage for certain preventive care benefits at no cost to the patient.

d. Payments made by a patient for services rendered under a physician agreement or dentist agreement may not count toward the patient's health insurance deductibles and maximum out-of-pocket expenses.

e. A patient is encouraged to consult with the patient's health insurance plan before entering into the agreement and receiving care.

(8) Provide that, upon termination of the agreement by the patient, all unearned fees are to be returned to the patient.

(g) A physician or dentist providing health care or dental services under a physician agreement or dentist agreement may decline to accept a patient if, in the physician's or dentist's opinion, the patient's medical condition is such that the provider is unable to provide the appropriate level and type of health care or dental services the patient requires. The physician or dentist may discontinue care for patients under the physician agreement or dental agreement under any of the following conditions:

(1) The patient fails to pay the periodic fee.

(2) The patient has performed an act of fraud.

(3) The patient repeatedly fails to adhere to the recommended treatment plan.

(4) The patient is abusive or presents an emotional or physical danger to the staff or other patients of the physician practice or dentist practice.

(5) The physician or dentist or the physician's or dentist's medical practice discontinues operation as a physician practice or dentist practice.

(6) Any other condition consistent with the Alabama Medical Practice Act or the rules of the Alabama Board of Medical Examiners and the Alabama Medical Licensure Commission, or the Alabama Dental Practice Act and the rules of the Alabama Board of Dental Examiners.

1 Section 3. This act shall become effective on the
2 first day of the third month following its passage and
3 approval by the Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB94

Senate 07-MAR-17

I hereby certify that the within Act originated in and passed
the Senate, as amended.

Patrick Harris,
Secretary.

House of Representatives
Passed: 19-MAY-17

By: Senator Orr