

SHB 1480 - H AMD 70

By Representative Green

ADOPTED 03/05/2013

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 48.150.010 and 2009 c 552 s 1 are each reenacted and
4 amended to read as follows:

5 The definitions in this section apply throughout this chapter
6 unless the context clearly requires otherwise.

7 (1) "Direct agreement" means a written agreement entered into
8 between a direct practice and an individual direct patient, or the
9 parent or legal guardian of the direct patient or a family of direct
10 patients, whereby the direct practice charges a direct fee as
11 consideration for being available to provide and providing primary care
12 services to the individual direct patient. A direct agreement must (a)
13 describe the specific health care services the direct practice will
14 provide; and (b) be terminable at will upon written notice by the
15 direct patient.

16 (2) "Direct fee" means a fee charged by a direct practice as
17 consideration for being available to provide and providing primary care
18 services as specified in a direct agreement.

19 (3) "Direct patient" means a person who is party to a direct
20 agreement and is entitled to receive primary care services under the
21 direct agreement from the direct practice.

22 (4) "Direct patient-provider primary care practice" and "direct
23 practice" means a provider, group, or entity that meets the following
24 criteria in (a), (b), (c), and (d) of this subsection:

25 (a)(i) A health care provider who furnishes primary care services
26 through a direct agreement;

27 (ii) A group of health care providers who furnish primary care
28 services through a direct agreement; or

29 (iii) An entity that sponsors, employs, or is otherwise affiliated
30 with a group of health care providers who furnish only primary care

1 services through a direct agreement, which entity is wholly owned by
2 the group of health care providers or is a nonprofit corporation exempt
3 from taxation under section 501(c)(3) of the internal revenue code, and
4 is not otherwise regulated as a health care service contractor, health
5 maintenance organization, or disability insurer under Title 48 RCW.
6 Such entity is not prohibited from sponsoring, employing, or being
7 otherwise affiliated with other types of health care providers not
8 engaged in a direct practice;

9 (b) Enters into direct agreements with direct patients or parents
10 or legal guardians of direct patients;

11 (c) Does not accept payment for health care services provided to
12 direct patients from any entity subject to regulation under Title 48
13 RCW or plans administered under chapter 41.05, 70.47, or 70.47A RCW;
14 and

15 (d) Does not provide, in consideration for the direct fee,
16 services, procedures, or supplies such as prescription drugs except as
17 provided in RCW 48.150.040(2)(b)(i)(B), hospitalization costs, major
18 surgery, dialysis, high level radiology (CT, MRI, PET scans or invasive
19 radiology), rehabilitation services, procedures requiring general
20 anesthesia, or similar advanced procedures, services, or supplies.

21 (5) "Health care provider" or "provider" means a person regulated
22 under Title 18 RCW or chapter 70.127 RCW to practice health or health-
23 related services or otherwise practicing health care services in this
24 state consistent with state law.

25 (6) "Health carrier" or "carrier" has the same meaning as in RCW
26 48.43.005.

27 (7) "Network" means the group of participating providers and
28 facilities providing health care services to a particular health
29 carrier's health plan or to plans administered under chapter 41.05,
30 70.47, or 70.47A RCW.

31 (8) "Primary care" means routine health care services, including
32 screening, assessment, diagnosis, and treatment for the purpose of
33 promotion of health, and detection and management of disease or injury.

34 **Sec. 2.** RCW 48.150.040 and 2009 c 552 s 2 are each amended to read
35 as follows:

36 (1) Direct practices may not:

1 (a) Enter into a participating provider contract as defined in RCW
2 48.44.010 or 48.46.020 with any carrier or with any carrier's
3 contractor or subcontractor, or plans administered under chapter 41.05,
4 70.47, or 70.47A RCW, to provide health care services through a direct
5 agreement except as set forth in subsection (2) of this section;

6 (b) Submit a claim for payment to any carrier or any carrier's
7 contractor or subcontractor, or plans administered under chapter 41.05,
8 70.47, or 70.47A RCW, for health care services provided to direct
9 patients as covered by their agreement;

10 (c) With respect to services provided through a direct agreement,
11 be identified by a carrier or any carrier's contractor or
12 subcontractor, or plans administered under chapter 41.05, 70.47, or
13 70.47A RCW, as a participant in the carrier's or any carrier's
14 contractor or subcontractor network for purposes of determining network
15 adequacy or being available for selection by an enrollee under a
16 carrier's benefit plan; or

17 (d) Pay for health care services covered by a direct agreement
18 rendered to direct patients by providers other than the providers in
19 the direct practice or their employees, except as described in
20 subsection (2)(b) of this section.

21 (2) Direct practices and providers may:

22 (a) Enter into a participating provider contract as defined by RCW
23 48.44.010 and 48.46.020 or plans administered under chapter 41.05,
24 70.47, or 70.47A RCW for purposes other than payment of claims for
25 services provided to direct patients through a direct agreement. Such
26 providers shall be subject to all other provisions of the participating
27 provider contract applicable to participating providers including but
28 not limited to the right to:

29 (i) Make referrals to other participating providers;

30 (ii) Admit the carrier's members to participating hospitals and
31 other health care facilities;

32 (iii) Prescribe prescription drugs; and

33 (iv) Implement other customary provisions of the contract not
34 dealing with reimbursement of services;

35 (b)(i) Pay for charges associated with:

36 (A) The provision of routine lab and imaging services; and

37 (B) The dispensing, at no additional cost to the direct patient, of

1 an initial supply, not to exceed thirty days, of generic prescription
2 drugs prescribed by the direct provider.

3 (ii) In aggregate ((such)) payments made under (b)(i)(A) and (B) of
4 this subsection per year per direct patient are not to exceed fifteen
5 percent of the total annual direct fee charged that direct patient.
6 Exceptions to this limitation may occur with respect to routine lab and
7 imaging services in the event of short-term equipment failure if such
8 failure prevents the provision of care that should not be delayed; and

9 (c) Charge an additional fee to direct patients for supplies,
10 medications, and specific vaccines provided to direct patients that are
11 specifically excluded under the agreement, provided the direct practice
12 notifies the direct patient of the additional charge, prior to their
13 administration or delivery."

14 Correct the title.

EFFECT: Prohibits the aggregate payments for prescription drugs
and routine lab and imaging services from exceeding 15% of the total
annual direct fee charged to the direct patient.

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