

SESSION OF 2015

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2225

As Amended by House Committee on Health
and Human Services

Brief*

HB 2225, as amended, would add law to specify a medical retainer agreement is not insurance and is not subject to insurance provisions in Chapter 40 of the Kansas statutes. A health care provider would not be required to obtain a certificate of authority or license under Chapter 40 to market, sell, or offer to sell a medical retainer agreement.

The bill would define the following:

- “Health care provider” means a person licensed under the Healing Arts Act;
- “Medical retainer agreement” means a contract between a health care provider and an individual patient in which the health care provider agrees to provide to the patient routine health care services for an agreed-upon fee and period of time; and
- “Routine health care service” means only the following:
 - Screening, assessment, diagnosis, and treatment for the purpose of promotion of health or the detection and management of disease or injury;
 - Medical supplies and prescription drugs that are dispensed in a health care provider’s office or facility site; and

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

- Laboratory work including routine blood screening or routine pathology screening performed by a laboratory meeting certain requirements.

The bill would state the requirements of a medical retainer, as follows:

- Be in writing;
- Be signed by the health care provider and the individual patient;
- Allow either party to terminate the agreement upon written notice;
- Describe and quantify the routine health care services;
- Specify the fee for the agreement;
- Specify the period of time under the agreement;
- Prominently state the agreement is not health insurance;
- Prohibit the health care provider and the patient from billing an insurer or other third-party payer for the services provided under the agreement; and
- Prominently state in writing the patient must pay the health care provider for all services not covered under the agreement and not otherwise covered by insurance.

The bill would require the following provision to be prominently stated in writing, in boldface type, all words capitalized, on the front page of the medical retainer, and would require the patient to initial below the provision:

Notice: This Medical Retainer Agreement does not constitute insurance, is not a medical plan that provides health insurance coverage for purposes of the Federal Patient Protection and Affordable Care Act and covers only limited

routine health care services as designated in this agreement.

Background

In the House Committee on Health and Human Services, a doctor from Atlas MD Concierge Family Practice and an insurance agent testified in support of the bill. The proponents stated the direct care model is affordable, removes the necessity for insurance for the bulk of outpatient care, and emphasized medical retainers do not constitute insurance.

No opponent or neutral testimony was provided.

The House Committee amended the bill to require a notice would be placed on the first page of a retainer agreement to emphasize a retainer agreement would not constitute insurance and the limited scope of routine health care services provided would be designated in a retainer agreement.

In the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Board of Healing Arts states enactment of the bill could result in additional complaints and investigations requiring Board staff to be increased by 8.0 FTE positions at a cost of \$634,464. The Division of the Budget considers the fiscal estimate of the Board to be excessive, stating any increase in caseload activity would be negligible. Any fiscal effect associated with the bill is not reflected in *The FY 2016 Governor's Budget Report*.