

JAN 18 2019

A BILL FOR AN ACT

RELATING TO DIRECT PRIMARY CARE AGREEMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 **"CHAPTER**

5 **DIRECT PRIMARY CARE AGREEMENTS**

6 **§ -1 Definitions.** As used in this chapter:

7 "Direct primary care agreement" means a contract between a
8 primary care provider and an individual patient or the patient's
9 legal representative in which the primary care provider agrees
10 to provide primary care services to the individual patient for
11 an agreed-upon fee and period of time.

12 "Direct primary care practice" means a health care practice
13 that:

- 14 (1) Provides primary care services;
- 15 (2) Charges a periodic fee for services;
- 16 (3) Does not bill any third parties on a fee for service
17 basis; and



1 (4) May implement a per visit charge; provided that any
2 per visit charge shall be less than the monthly
3 equivalent of the periodic fee for services.

4 "Health care facility" means an institution providing
5 health care services or a health care setting, including
6 hospitals and other licensed inpatient centers, ambulatory
7 surgical or treatment centers, skilled nursing centers,
8 residential treatment centers, urgent care centers, diagnostic
9 facilities, laboratories, and imaging centers, and
10 rehabilitation and other therapeutic health settings licensed or
11 certified by the department of health under chapter 321.

12 "Primary care provider" means:

13 (1) An individual who is licensed under chapter 453 or 457
14 and authorized to provide primary care services in the
15 State; or

16 (2) A health care facility that is licensed, registered,
17 or otherwise authorized to provide primary care
18 services in this State.

19 The term "primary care provider" includes an individual or
20 health care facility alone or with others professionally
21 associated with the individual or health care facility.



1 "Primary care services" means health care services that
2 include but are not limited to the screening, assessment,
3 diagnosis, and treatment of a patient for the purposes of
4 promotion of health or the detection and management of disease
5 or injury within the competency and training of the primary care
6 provider's scope of practice.

7 § -2 Direct primary care agreements; exemption;
8 requirements. (a) A direct primary care agreement shall not be
9 considered insurance and shall not be subject to chapter 431.
10 An individual and primary care provider who enter into a direct
11 primary care agreement shall not be considered to be entering
12 into the business of insurance and shall not be subject to the
13 licensing requirements of chapter 431.

14 (b) A primary care provider or an agent of a primary care
15 provider shall not be required to obtain a certificate of
16 authority or license under this chapter to market, sell, or
17 offer to sell a direct primary care agreement.

18 (c) For purposes of this chapter, a direct primary care
19 agreement shall:

20 (1) Be in writing;



- 1 (2) Be signed by the primary care provider or agent of the
- 2 primary care provider and the individual patient or
- 3 the patient's legal representative;
- 4 (3) Allow either party to terminate the direct primary
- 5 care agreement on written notice to the other party;
- 6 (4) Describe the scope of primary care services that are
- 7 covered by the periodic fee;
- 8 (5) Specify the periodic fee and any additional fees
- 9 outside of the periodic fee for ongoing care under the
- 10 direct primary care agreement;
- 11 (6) Specify the duration of the direct primary care
- 12 agreement and any automatic renewal periods;
- 13 (7) Specify that no more than twelve months of the
- 14 periodic fee shall be paid in advance;
- 15 (8) Specify that upon discontinuing the direct primary
- 16 care agreement, all unearned funds shall be returned
- 17 to the patient; and
- 18 (9) Prominently include the following notice:
- 19 "THIS DIRECT PRIMARY CARE AGREEMENT IS NOT HEALTH
- 20 INSURANCE."



1 § -3 Acceptance or discontinuance of patients. (a)

2 Direct primary care practices shall not decline to accept a new
3 direct primary care patient or discontinue care to an existing
4 primary care patient solely because of the patient's health
5 status.

6 (b) A direct primary care practice may decline to accept a
7 patient if the practice has reached its maximum capacity or if
8 the patient's medical condition is such that the primary care
9 provider is unable to provide the appropriate level and type of
10 primary care services the patient requires.

11 (c) A direct primary care practice may discontinue care
12 for a direct primary care patient if:

- 13 (1) The patient fails to pay the periodic fee;
14 (2) The patient has performed an act of fraud;
15 (3) The patient repeatedly fails to adhere to the
16 recommended treatment plan;
17 (4) The patient is abusive and presents an emotional or
18 physical danger to the staff or other patients of the
19 direct primary care practice; or
20 (5) The direct primary care practice discontinues
21 operation as a direct primary care practice;



1 provided that prior to discontinuing care for a primary care
2 patient, the direct primary care practice shall provide the
3 patient notice and an opportunity to obtain care from another
4 physician."

5 SECTION 2. This Act shall take effect upon its approval.

6

INTRODUCED BY: 


Clara K. Resnik



S.B. NO. 232

Report Title:

Direct Primary Care Agreements; Primary Care Services; Primary Care Providers

Description:

Enables patients and primary care providers to enter into direct primary care agreements to provide primary care services. Specifies that direct primary care agreements are not insurance and are not subject to the State's insurance code.

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