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**Health Care & Wellness  
Committee**

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**E2SSB 5958**

**Brief Description:** Creating innovative primary health care delivery.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Keiser, Parlette, Marr and Kohl-Welles).

**Brief Summary of Engrossed Second Substitute Bill**

- Regulates retainer health care through the Office of the Insurance Commissioner.

**Hearing Date:** 3/19/07

**Staff:** Dave Knutson (786-7146).

**Background:**

Retainer health care is an approach to medical practice where physicians charge their patients a fee or retainer in exchange for enhanced services or amenities. Retainer practices typically care for fewer patients than conventional practices and provide personalized health care services that may include same-day appointments, comprehensive annual physicals, home visits, immediate access to a physician via phone or pager, or other services.

A recent review by the U.S. Government Accountability Office indicates there are a small but growing number of retainer practices, and they are largely concentrated on the west and east coasts. A disproportionate number are in Washington State, where the idea appears to have been initiated in 1996.

The Office of the Insurance Commissioner (Commissioner) has determined that health care providers engaged in direct patient billing or retainer health care are subject to current state law governing health care service contractors, but believes the full scope of regulation under this law is neither practical nor warranted.

**Summary of Bill:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Direct patient-provider primary care practices are exempted from the definition of health care service contractors in insurance law. Direct practices are defined as providers or entities furnishing primary health care services, as outlined in a direct agreement, for a monthly fee. Primary care means routine health care services, including screening, assessment, diagnosis, and treatment for the promotion of health, and detection and management of disease or injury. Services covered under the direct fee may not include hospitalization, major surgery, dialysis, high level radiology, rehabilitation services, procedures requiring general anesthesia, or similar advanced procedures, services, or supplies.

The direct fee must represent the total amount for services specified in the agreement, and providers may charge additional fees for supplies, medications, and specific vaccines that are not covered by the direct agreement. All direct agreements will include a comprehensive disclosure statement indicating the agreement does not provide comprehensive health insurance coverage. Providers may sign participating provider contracts with insurance carriers to ensure patients have access to referrals to other participating providers, but direct practice providers may not submit claims for services provided to direct patients.

Standards describing the direct practices are placed in Title 48 insurance laws; however, the direct practices are not insurance carriers, and they may not sell their product to groups like an insurance carrier. Direct practices must register annually with the Commissioner, and the Commissioner will be the lead agency for consumer protection concerns.

**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on March 14, 2007.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.