

State of Arizona
Senate
Fifty-first Legislature
Second Regular Session
2014

SENATE BILL 1404

AN ACT

AMENDING SECTION 20-103, ARIZONA REVISED STATUTES; AMENDING TITLE 20, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-123; AMENDING SECTION 44-1521, ARIZONA REVISED STATUTES; AMENDING TITLE 44, CHAPTER 11, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 25; RELATING TO DIRECT PRIMARY CARE PROVIDER PLANS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-103, Arizona Revised Statutes, is amended to
3 read:

4 20-103. Definition of insurance; exceptions

5 A. For the purposes of this title, except as otherwise provided,
6 "insurance" is a contract by which one undertakes to indemnify another or to
7 pay a specified amount upon determinable contingencies.

8 B. Private ambulance service contracts or private fire protection
9 service contracts are not insurance, and this title does not apply to those
10 contracts.

11 C. Charitable gift annuities that are issued pursuant to section
12 20-119 are not insurance and, except as provided in section 20-119, this
13 title does not apply to agreements for those annuities.

14 D. Collision damage waivers are not insurance, and this title does not
15 apply to those waivers.

16 E. DIRECT PRIMARY CARE PROVIDER PLANS THAT ARE ISSUED PURSUANT TO
17 TITLE 44, CHAPTER 11, ARTICLE 25 ARE NOT INSURANCE, AND THIS TITLE DOES NOT
18 APPLY TO THOSE PLANS.

19 Sec. 2. Title 20, chapter 1, article 1, Arizona Revised Statutes, is
20 amended by adding section 20-123, to read:

21 20-123. Direct primary care provider; exemption from
22 regulation; definitions

23 A. A DIRECT PRIMARY CARE PROVIDER PLAN ISSUED PURSUANT TO TITLE 44,
24 CHAPTER 11, ARTICLE 25 DOES NOT CONSTITUTE THE TRANSACTION OF INSURANCE
25 BUSINESS OR A HEALTH CARE SERVICES ORGANIZATION IN THIS STATE FOR THE
26 PURPOSES OF REGULATION UNDER THIS TITLE IF THE PLAN DOES NOT ASSUME FINANCIAL
27 RISK OR AGREE TO INDEMNIFY FOR SERVICES PROVIDED BY A THIRD PARTY.

28 B. FOR THE PURPOSES OF THIS SECTION:

29 1. "DIRECT PRIMARY CARE PROVIDER PLAN" MEANS A PRIMARY CARE PROVIDER,
30 GROUP, ENTITY OR PRACTICE THAT COLLECTS ON A PREPAID BASIS FEES TO CONDUCT
31 PRIMARY HEALTH CARE FOR ENROLLEES.

32 2. "ENROLLEE" MEANS AN INDIVIDUAL, FAMILY OR GROUP THAT HAS ENROLLED
33 IN A DIRECT PRIMARY CARE PROVIDER PLAN.

34 3. "PRIMARY CARE PROVIDER" MEANS A PHYSICIAN WHO IS LICENSED PURSUANT
35 TO TITLE 32, CHAPTER 13 OR 17 AND WHO SPECIALIZES OR IS BOARD CERTIFIED IN
36 GENERAL PRACTICE, FAMILY MEDICINE, INTERNAL MEDICINE OR PEDIATRICS.

37 4. "PRIMARY HEALTH CARE" MEANS CONDUCTING ALL COMPONENTS OF PRIMARY
38 CARE THAT IS ORDERED AND SUPERVISED BY A PRIMARY CARE PROVIDER, INCLUDING
39 MEDICAL VISITS, LABORATORY TESTING, IMAGING, PATHOLOGY TESTING, PRESCRIBING
40 AND ADMINISTERING MEDICATION AND OTHER MEDICAL PROCEDURES THAT MAY BE
41 PERFORMED OR SUPERVISED BY A PRIMARY CARE PROVIDER WITH TRAINING AND
42 EXPERIENCE IN THAT PROCEDURE.

1 Sec. 3. Section 44-1521, Arizona Revised Statutes, is amended to read:

2 44-1521. Definitions

3 In this article, unless the context otherwise requires:

4 1. "Advertisement" includes the attempt by publication, dissemination,
5 solicitation or circulation, oral or written, to induce directly or
6 indirectly any person to enter into any obligation or acquire any title or
7 interest in any merchandise.

8 2. "Attorney general" means the attorney general of Arizona or ~~his~~ THE
9 ATTORNEY GENERAL'S authorized delegate.

10 3. "Authorized delegate" means any attorney, investigator or
11 administrative personnel employed by the attorney general and so designated,
12 and, ~~when~~ IF requested by the county attorney and authorized by the attorney
13 general, may include similar personnel employed by the several county
14 attorneys of this state.

15 4. "Examine" means the inspection, study or copying of any account,
16 book, document, merchandise, paper or record.

17 5. "Merchandise" means any objects, wares, goods, commodities,
18 intangibles, real estate, ~~or~~ or services, INCLUDING DIRECT PRIMARY CARE
19 PROVIDER PLANS AS DEFINED IN SECTION 20-123.

20 6. "Person" means any natural person or ~~his~~ THE PERSON'S legal
21 representative, partnership, domestic or foreign corporation, any company,
22 trust, business entity, or association, any agent, employee, salesman,
23 partner, officer, director, member, stockholder, associate, ~~or~~ or trustee.

24 7. "Sale" means any sale, offer for sale, ~~or~~ or attempt to sell any
25 merchandise for any consideration, including sales, leases and rentals of any
26 real estate subject to any form of deed restriction imposed as part of a
27 previous sale.

28 Sec. 4. Title 44, chapter 11, Arizona Revised Statutes, is amended by
29 adding article 25, to read:

30 ARTICLE 25. DIRECT PRIMARY CARE PROVIDER PLANS

31 44-1799.91. Definitions

32 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

33 1. "DIRECT PRIMARY CARE PROVIDER PLAN" HAS THE SAME MEANING PRESCRIBED
34 IN SECTION 20-123.

35 2. "ENROLLEE" HAS THE SAME MEANING PRESCRIBED IN SECTION 20-123.

36 3. "HEALTH INSURER" MEANS A DISABILITY INSURER, GROUP DISABILITY
37 INSURER, BLANKET DISABILITY INSURER, HEALTH CARE SERVICES ORGANIZATION,
38 HOSPITAL SERVICE CORPORATION, MEDICAL SERVICE CORPORATION OR HOSPITAL,
39 MEDICAL, DENTAL AND OPTOMETRIC SERVICE CORPORATION HOLDING A CERTIFICATE OF
40 AUTHORITY UNDER TITLE 20.

41 4. "PRIMARY CARE PROVIDER" HAS THE SAME MEANING PRESCRIBED IN SECTION
42 20-123.

43 5. "PRIMARY HEALTH CARE" HAS THE SAME MEANING PRESCRIBED IN SECTION
44 20-123.

1 6. "PROVIDER ACCESS" MEANS THE METHOD, MANNER AND FREQUENCY THAT AN
2 ENROLLEE MAY USE A PRIMARY CARE PROVIDER UNDER THE ENROLLEE'S DIRECT PRIMARY
3 CARE PROVIDER PLAN.

4 44-1799.92. Direct primary care provider plans; requirements;
5 notice; prohibition

6 A. A DIRECT PRIMARY CARE PROVIDER PLAN MAY ARRANGE FOR PRIMARY HEALTH
7 CARE FOR ENROLLEES IN THIS STATE.

8 B. EVERY DIRECT PRIMARY CARE PROVIDER PLAN MUST BE IN WRITING AND IS
9 SUBJECT TO THIS SECTION. A COPY OF THE WRITTEN PLAN MUST BE GIVEN TO THE
10 ENROLLEE AT THE TIME THE ENROLLEE SIGNS THE PLAN.

11 C. A DIRECT PRIMARY CARE PROVIDER PLAN MUST DESCRIBE THE SPECIFIC
12 PROVIDER ACCESS AND PRIMARY HEALTH CARE SERVICES THAT THE PRIMARY CARE
13 PROVIDER WILL PROVIDE, THE ENROLLEE'S TOTAL PAYMENT OBLIGATION AND THE TERMS
14 OF CANCELLATION, WHICH MUST INCLUDE CANCELLATION TERMS FOR RELOCATION AND
15 MILITARY DUTY. A DIRECT PRIMARY CARE PROVIDER PLAN MAY NOT CHARGE DIFFERENT
16 FEES FOR COMPARABLE SERVICES BASED ON AN ENROLLEE'S HEALTH STATUS OR SEX. AN
17 ENROLLEE MAY CANCEL A DIRECT PRIMARY CARE PROVIDER PLAN FOR ANY REASON ON
18 WRITTEN NOTICE TO THE PLAN.

19 D. A DIRECT PRIMARY CARE PROVIDER PLAN MUST PROVIDE A WRITTEN
20 DISCLAIMER ON OR ACCOMPANYING ALL APPLICATION AND GUIDELINE MATERIALS
21 DISTRIBUTED BY OR ON BEHALF OF THE DIRECT PRIMARY CARE PROVIDER PLAN THAT
22 READS, IN SUBSTANCE:

23 NOTICE: THE ORGANIZATION FACILITATING THE DIRECT PRIMARY
24 CARE PROVIDER PLAN IS NOT AN INSURANCE COMPANY, AND THE DIRECT
25 PRIMARY CARE COMPANY GUIDELINES AND PLAN OPERATION ARE NOT AN
26 INSURANCE POLICY. PARTICIPATION IN THE DIRECT PRIMARY CARE
27 PROVIDER PLAN OR A SUBSCRIPTION TO ANY OF ITS DOCUMENTS SHOULD
28 NOT BE CONSIDERED TO BE A HEALTH INSURANCE POLICY. REGARDLESS
29 OF WHETHER YOU RECEIVE TREATMENT FOR MEDICAL ISSUES THROUGH THE
30 DIRECT PRIMARY CARE PROVIDER PLAN, YOU ARE ALWAYS PERSONALLY
31 RESPONSIBLE FOR THE PAYMENT OF ANY ADDITIONAL MEDICAL EXPENSES
32 YOU MAY INCUR.

33 E. A PRIMARY CARE PROVIDER MAY NOT SUBMIT A CLAIM FOR PAYMENT TO ANY
34 HEALTH INSURER OR ANY HEALTH INSURER'S CONTRACTOR OR SUBCONTRACTOR FOR
35 PRIMARY HEALTH CARE SERVICES PROVIDED TO AN ENROLLEE UNDER A DIRECT PRIMARY
36 CARE PROVIDER PLAN.