

State of Arizona  
Senate  
Fifty-fourth Legislature  
First Regular Session  
2019

# SENATE BILL 1105

AN ACT

AMENDING SECTION 20-103, ARIZONA REVISED STATUTES; REPEALING SECTION 20-123, ARIZONA REVISED STATUTES; AMENDING SECTION 44-1521, ARIZONA REVISED STATUTES; REPEALING TITLE 44, CHAPTER 11, ARTICLE 25, ARIZONA REVISED STATUTES; AMENDING TITLE 44, CHAPTER 11, ARIZONA REVISED STATUTES, BY ADDING A NEW ARTICLE 25; RELATING TO THE REGULATION OF PARTICULAR BUSINESSES.

(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  
7 to 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  
10 those 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  
15 not apply to those waivers.

16 E. Direct primary care ~~provider plans that are issued pursuant to~~  
17 ~~title 44, chapter 11, article 25~~ AGREEMENTS AS DEFINED IN SECTION  
18 44-1799.91 are not insurance, and this title does not apply to those ~~plans~~  
19 AGREEMENTS.

20 Sec. 2. Repeal

21 Section 20-123, Arizona Revised Statutes, is repealed.

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

24 44-1521. Definitions

25 In this article, unless the context otherwise requires:

26 1. "Advertisement" includes the attempt by publication,  
27 dissemination, solicitation or circulation, oral or written, to induce  
28 directly or indirectly any person to enter into any obligation or acquire  
29 any title or interest in any merchandise.

30 2. "Attorney general" means the attorney general of Arizona or the  
31 attorney general's authorized delegate.

32 3. "Authorized delegate" means any attorney, investigator or  
33 administrative personnel employed by the attorney general and so  
34 designated, and, if requested by the county attorney and authorized by the  
35 attorney general, may include similar personnel employed by the several  
36 county attorneys of this state.

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

39 5. "Merchandise" means any objects, wares, goods, commodities,  
40 intangibles, real estate or services, ~~including direct primary care~~  
41 ~~provider plans as defined in section 20-123.~~

42 6. "Person" means any natural person or the person's legal  
43 representative, ~~ANY~~ partnership, ~~OR~~ domestic or foreign corporation, any  
44 company, trust, business entity, ~~OR~~ or association, ~~OR~~ any agent, employee,

1 salesman, partner, officer, director, member, stockholder, associate or  
2 trustee.

3 7. "Sale" means any sale, offer for sale or attempt to sell any  
4 merchandise for any consideration, including sales, leases and rentals of  
5 any real estate subject to any form of deed restriction imposed as part of  
6 a previous sale.

7 Sec. 4. Repeal

8 Title 44, chapter 11, article 25, Arizona Revised Statutes, is  
9 repealed.

10 Sec. 5. Title 44, chapter 11, Arizona Revised Statutes, is amended  
11 by adding a new article 25, to read:

12 ARTICLE 25. DIRECT PRIMARY CARE AGREEMENTS

13 44-1799.91. Definitions

14 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

15 1. "DIRECT PRIMARY CARE AGREEMENT" MEANS A CONTRACT BETWEEN A  
16 PRIMARY CARE PROVIDER AND AN INDIVIDUAL PATIENT OR THE PATIENT'S LEGAL  
17 REPRESENTATIVE IN WHICH THE PRIMARY CARE PROVIDER AGREES TO PROVIDE  
18 PRIMARY CARE SERVICES TO THE INDIVIDUAL PATIENT FOR AN AGREED PERIODIC FEE  
19 AND PERIOD OF TIME.

20 2. "PRIMARY CARE PROVIDER":

21 (a) MEANS:

22 (i) A PHYSICIAN WHO IS LICENSED PURSUANT TO TITLE 32, CHAPTER 13 OR  
23 17 AND WHO SPECIALIZES IN FAMILY MEDICINE, INTERNAL MEDICINE OR PEDIATRICS  
24 OR OTHERWISE TREATS PATIENTS FOR CHRONIC CONDITIONS REQUIRING REGULAR  
25 TREATMENT.

26 (ii) A PHYSICIAN ASSISTANT WHO IS LICENSED PURSUANT TO TITLE 32,  
27 CHAPTER 25 AND WHO PRACTICES WITH A PHYSICIAN WHO SPECIALIZES IN FAMILY  
28 MEDICINE, INTERNAL MEDICINE OR PEDIATRICS.

29 (iii) A REGISTERED NURSE PRACTITIONER WHO IS LICENSED PURSUANT TO  
30 TITLE 32, CHAPTER 15 AND WHO IS CERTIFIED IN FAMILY PRACTICE, ADULT  
31 GERONTOLOGY, WOMEN'S HEALTH OR PEDIATRICS.

32 (iv) A DENTIST WHO IS LICENSED PURSUANT TO TITLE 32, CHAPTER 11 AND  
33 WHO PROVIDES DENTAL SERVICES.

34 (b) INCLUDES A GROUP, ENTITY OR PRACTICE OF PRIMARY CARE PROVIDERS.

35 3. "PRIMARY CARE SERVICES" MEANS ROUTINE, PERIODIC HEALTH CARE  
36 PROCEDURES THAT ARE ORDERED AND SUPERVISED BY A PRIMARY CARE PROVIDER,  
37 INCLUDING MEDICAL VISITS, LABORATORY TESTING, IMAGING, PATHOLOGY TESTING,  
38 PRESCRIBING AND ADMINISTERING MEDICATION, DIAGNOSING, TREATING AND  
39 MANAGING ACUTE AND CHRONIC CONDITIONS AND OTHER HEALTH CARE PROCEDURES  
40 PROVIDED TO PATIENTS ON A ROUTINE, PERIODIC BASIS THAT MAY BE PERFORMED OR  
41 SUPERVISED BY A PRIMARY CARE PROVIDER WITH TRAINING AND EXPERIENCE IN THAT  
42 PROCEDURE, OR DENTAL SERVICES THAT MAY BE PERFORMED OR SUPERVISED BY A  
43 DENTIST WHO IS LICENSED PURSUANT TO TITLE 32, CHAPTER 11.

1           44-1799.92. Direct primary care agreements; requirements;  
2                                   notice

3           A DIRECT PRIMARY CARE AGREEMENT SHALL MEET ALL OF THE FOLLOWING  
4 REQUIREMENTS:

- 5           1. BE IN WRITING.
- 6           2. BE SIGNED BY THE PRIMARY CARE PROVIDER OR AN AGENT OF THE  
7 PRIMARY CARE PROVIDER AND THE INDIVIDUAL PATIENT OR THE PATIENT'S LEGAL  
8 REPRESENTATIVE. A COPY OF THE AGREEMENT SHALL BE PROVIDED TO THE  
9 INDIVIDUAL PATIENT OR THE PATIENT'S LEGAL REPRESENTATIVE.
- 10          3. ALLOW EITHER PARTY TO TERMINATE THE AGREEMENT ON A THIRTY-DAY  
11 WRITTEN NOTICE TO THE OTHER PARTY. THE AGREEMENT SHALL INCLUDE TERMS FOR  
12 RELOCATION AND MILITARY DUTY.
- 13          4. DESCRIBE THE SCOPE OF PRIMARY CARE SERVICES THAT ARE COVERED BY  
14 THE PERIODIC FEE.
- 15          5. SPECIFY THE PERIODIC FEE FOR THE AGREEMENT AND ANY ADDITIONAL  
16 FEES OUTSIDE OF THE PERIODIC FEE FOR ONGOING CARE UNDER THE AGREEMENT.
- 17          6. SPECIFY THE DURATION OF THE AGREEMENT AND ANY AUTOMATIC RENEWAL  
18 PERIODS.
- 19          7. PROVIDE A PROMINENT WRITTEN DISCLAIMER THAT THE AGREEMENT IS NOT  
20 HEALTH INSURANCE AND THAT READS, IN SUBSTANTIALLY THE FOLLOWING FORM:  
21 NOTICE: THE ORGANIZATION FACILITATING THE DIRECT PRIMARY CARE  
22 AGREEMENT IS NOT AN INSURANCE COMPANY AND THE DIRECT PRIMARY  
23 CARE COMPANY GUIDELINES AND AGREEMENT ARE NOT AN INSURANCE  
24 POLICY. PARTICIPATION IN THE DIRECT PRIMARY CARE AGREEMENT OR  
25 A SUBSCRIPTION TO ANY OF ITS DOCUMENTS SHOULD NOT BE  
26 CONSIDERED TO BE A HEALTH INSURANCE POLICY. REGARDLESS OF  
27 WHETHER YOU RECEIVE TREATMENT FOR HEALTH CARE ISSUES THROUGH  
28 THE DIRECT PRIMARY CARE AGREEMENT, YOU ARE ALWAYS PERSONALLY  
29 RESPONSIBLE FOR PAYING ANY ADDITIONAL HEALTH CARE EXPENSES YOU  
30 MAY INCUR. IF YOU HAVE HEALTH INSURANCE, IT MAY INCLUDE, AT  
31 NO ADDITIONAL CHARGE, SOME OF THE PREVENTIVE SERVICES THAT ARE  
32 ALSO AVAILABLE UNDER THIS DIRECT PRIMARY CARE AGREEMENT. THE  
33 PRIMARY CARE PROVIDER MAY NOT BILL YOUR HEALTH INSURANCE FOR  
34 PRIMARY CARE SERVICES PROVIDED UNDER THIS DIRECT PRIMARY CARE  
35 AGREEMENT.

36           44-1799.93. Direct primary care provider; acceptance and  
37                                   discontinuance of patients

38           A. A DIRECT PRIMARY CARE PROVIDER MAY NOT DECLINE TO ACCEPT A NEW  
39 DIRECT PRIMARY CARE PATIENT OR DISCONTINUE CARE TO AN EXISTING PATIENT  
40 SOLELY BECAUSE OF THE PATIENT'S HEALTH STATUS. A DIRECT PRIMARY CARE  
41 PRACTICE MAY NOT CHARGE DIFFERENT FEES FOR COMPARABLE SERVICES BASED ON A  
42 PATIENT'S HEALTH STATUS OR GENDER.

1           B. A DIRECT PRIMARY CARE PRACTICE MAY DECLINE TO ACCEPT A PATIENT  
2 IF THE PRACTICE HAS REACHED ITS MAXIMUM CAPACITY OR IF THE PATIENT'S  
3 MEDICAL CONDITION IS SUCH THAT THE PROVIDER IS UNABLE TO PROVIDE THE  
4 APPROPRIATE LEVEL AND TYPE OF PRIMARY CARE SERVICES THE PATIENT REQUIRES.

5           C. A DIRECT PRIMARY CARE PROVIDER MAY DISCONTINUE CARE FOR A DIRECT  
6 PRIMARY CARE PATIENT IN ANY OF THE FOLLOWING CIRCUMSTANCES:

7           1. THE PATIENT FAILS TO PAY THE PERIODIC FEE.  
8           2. THE PATIENT HAS PERFORMED AN ACT OF FRAUD.  
9           3. THE PATIENT REPEATEDLY FAILS TO ADHERE TO THE RECOMMENDED  
10 TREATMENT PLAN.

11           4. THE PATIENT IS ABUSIVE AND PRESENTS AN EMOTIONAL OR PHYSICAL  
12 DANGER TO THE STAFF OR OTHER PATIENTS OF THE DIRECT PRIMARY CARE PRACTICE.

13           5. THE DIRECT PRIMARY CARE PRACTICE DISCONTINUES OPERATION AS A  
14 DIRECT PRIMARY CARE PRACTICE.

15           6. THE DIRECT PRIMARY CARE PRACTICE CHANGES THE SERVICES IT OFFERS  
16 OR THE SCOPE OF PRACTICE THAT IT PROVIDES TO PATIENTS.

17           44-1799.94. Direct primary care agreements; fees

18           A. A DIRECT PRIMARY CARE AGREEMENT MAY NOT REQUIRE MORE THAN TWELVE  
19 MONTHS OF THE PERIODIC FEE TO BE PAID IN ADVANCE. ON DISCONTINUING THE  
20 AGREEMENT ALL PAYMENTS PREPAID FOR MONTHS FOLLOWING TERMINATION OF THE  
21 AGREEMENT SHALL BE RETURNED TO THE PATIENT.

22           B. A DIRECT PRIMARY CARE PROVIDER MAY NOT BILL THIRD PARTIES ON A  
23 FEE FOR SERVICE BASIS FOR PRIMARY CARE SERVICES THAT ARE PROVIDED TO A  
24 PATIENT AND THAT ARE COVERED UNDER THE DIRECT PRIMARY CARE AGREEMENT.

25           44-1799.95. Direct primary care agreements; regulation

26           A DIRECT PRIMARY CARE AGREEMENT FOR MEDICAL OR DENTAL SERVICES DOES  
27 NOT CONSTITUTE THE TRANSACTION OF INSURANCE BUSINESS OR A HEALTH CARE  
28 SERVICES ORGANIZATION IN THIS STATE FOR THE PURPOSES OF REGULATION UNDER  
29 TITLE 20.