

AMENDED IN SENATE MARCH 28, 2012

SENATE BILL

No. 1320

Introduced by Senator Harman

February 23, 2012

An act to add Chapter 2.23 (commencing with Section 1399.875) to Division 2 of the Health and Safety Code, and to add Section 106.5 to the Insurance Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

SB 1320, as amended, Harman. ~~Direct primary care~~ *Retainer* practices.

Existing law provides for the licensure and regulation of various ~~healings~~ *healing* arts practitioners. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans. Existing law also provides for the regulation of health insurers by the Department of Insurance.

This bill would state various findings with respect to the use of ~~direct primary care~~ *retainer* practices in which a patient enters into a direct relationship with a physician and pays the physician a fixed amount for primary care services. The bill ~~would state the intent of the Legislature to enact legislation that~~ would define a ~~direct primary care~~ *retainer* practice and specify that such a practice is not *subject to regulation* as a health care service plan or a health insurer.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ *yes*. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. ~~(a)~~ The Legislature hereby finds and declares
 2 that California needs a multipronged approach to make health care
 3 services more readily available and affordable to the many residents
 4 of the state who lack adequate access to those services. ~~Direct~~
 5 ~~primary care Retainer~~ practices, in which a patient enters into a
 6 direct relationship with a physician and pays a fixed amount
 7 directly to the physician for primary care services, represent an
 8 innovative, affordable option that could improve access to medical
 9 care, reduce the number of people who lack this access, reduce
 10 emergency room use for primary care purposes, and make
 11 emergency rooms more available to treat actual emergencies.

12 ~~(b)~~ ~~It~~
 13 *It is the intent of the Legislature to enact legislation that would*
 14 *do both of the following:*

15 ~~(1)~~ ~~Define~~ *define* the term “~~direct primary care~~ “*retainer*
 16 *practice*” in a manner that ensures patient safety and allows this
 17 innovative model to operate efficiently and unencumbered by
 18 unnecessary state government regulation.

19 ~~(2)~~ ~~Specify that a direct primary care practice is not a health~~
 20 ~~care service plan subject to regulation under the Knox-Keene~~
 21 ~~Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing~~
 22 ~~with Section 1340) of Division 2 of the Health and Safety Code)~~
 23 ~~or a health insurer subject to regulation by the Insurance~~
 24 ~~Commissioner under the Insurance Code.~~

25 *SEC. 2. Chapter 2.23 (commencing with Section 1399.875) is*
 26 *added to Division 2 of the Health and Safety Code, to read:*

27
 28 *CHAPTER 2.23. RETAINER PRACTICES*

29
 30 *1399.875. Notwithstanding any other law, a retainer practice*
 31 *is not a health care service plan subject to regulation under the*
 32 *Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2*
 33 *(commencing with Section 1340)).*

34 *1399.876. (a) For purposes of this chapter, a “retainer*
 35 *practice” means any person who meets both of the following*
 36 *requirements:*

1 (1) Licensed to practice medicine by the Medical Board of
2 California pursuant to Chapter 5 (commencing with Section 2000)
3 of Division 2 of the Business and Professions Code.

4 (2) Contracts with patients to provide primary care services,
5 in whole or in part, based on a periodic fee.

6 (b) For purposes of this section, “primary care services” means
7 medical services for which no specialty is commonly required, and
8 specifically excludes all of the following services:

9 (1) Acupuncture.

10 (2) Chiropractic.

11 (3) Dental.

12 (4) Emergency.

13 (5) Hospital.

14 (6) Vision.

15 SEC. 3. Section 106.5 is added to the Insurance Code, to read:

16 106.5. (a) Notwithstanding any other law, a retainer practice
17 is not subject to regulation as a health insurer by the Insurance
18 Commissioner.

19 (b) For purposes of this section, a “retainer practice” means
20 any person who meets both of the following requirements:

21 (1) Licensed to practice medicine by the Medical Board of
22 California pursuant to Chapter 5 (commencing with Section 2000)
23 of Division 2 of the Business and Professions Code.

24 (2) Contracts with patients to provide primary care services,
25 in whole or in part, based on a periodic fee.

26 (b) For purposes of this section, “primary care services” means
27 medical services for which no specialty is commonly required, and
28 specifically excludes all of the following services:

29 (1) Acupuncture.

30 (2) Chiropractic.

31 (3) Dental.

32 (4) Emergency.

33 (5) Hospital.

34 (6) Vision.