

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21 Section 20-123, Arizona Revised Statutes, is repealed.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. "DIRECT PRIMARY CARE PATIENT" MEANS A PATIENT WHO ENTERS INTO A
21 DIRECT PRIMARY CARE AGREEMENT WITH A PRIMARY CARE PROVIDER.

22 3. "DIRECT PRIMARY CARE PROVIDER" MEANS A PRIMARY CARE PROVIDER WHO
23 ENTERS INTO A DIRECT PRIMARY CARE AGREEMENT WITH A PATIENT OR THE
24 PATIENT'S LEGAL REPRESENTATIVE.

25 4. "PRIMARY CARE PROVIDER":

26 (a) MEANS:

27 (i) A PHYSICIAN WHO IS LICENSED PURSUANT TO TITLE 32, CHAPTER 13 OR
28 17 AND WHO SPECIALIZES IN FAMILY MEDICINE, INTERNAL MEDICINE OR PEDIATRICS
29 OR OTHERWISE TREATS PATIENTS FOR CHRONIC CONDITIONS REQUIRING REGULAR
30 TREATMENT.

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

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

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

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

40 5. "PRIMARY CARE SERVICES" MEANS ROUTINE, PERIODIC HEALTH CARE
41 PROCEDURES THAT ARE ORDERED AND SUPERVISED BY A PRIMARY CARE PROVIDER,
42 INCLUDING MEDICAL VISITS, LABORATORY TESTING, IMAGING, PATHOLOGY TESTING,
43 PRESCRIBING AND ADMINISTERING MEDICATION, DIAGNOSING, TREATING AND
44 MANAGING ACUTE AND CHRONIC CONDITIONS AND OTHER HEALTH CARE PROCEDURES
45 PROVIDED TO PATIENTS ON A ROUTINE, PERIODIC BASIS THAT MAY BE PERFORMED OR

1 SUPERVISED BY A PRIMARY CARE PROVIDER WITH TRAINING AND EXPERIENCE IN THAT
2 PROCEDURE, OR DENTAL SERVICES THAT MAY BE PERFORMED OR SUPERVISED BY A
3 DENTIST WHO IS LICENSED PURSUANT TO TITLE 32, CHAPTER 11.

4 44-1799.92. Direct primary care agreements; requirements;
5 notice

6 A DIRECT PRIMARY CARE AGREEMENT SHALL MEET ALL OF THE FOLLOWING
7 REQUIREMENTS:

8 1. BE IN WRITING.

9 2. BE SIGNED BY THE PRIMARY CARE PROVIDER OR AN AGENT OF THE
10 PRIMARY CARE PROVIDER AND THE INDIVIDUAL PATIENT OR THE PATIENT'S LEGAL
11 REPRESENTATIVE. A COPY OF THE AGREEMENT SHALL BE PROVIDED TO THE
12 INDIVIDUAL PATIENT OR THE PATIENT'S LEGAL REPRESENTATIVE.

13 3. ALLOW EITHER PARTY TO TERMINATE THE AGREEMENT ON A THIRTY-DAY
14 WRITTEN NOTICE TO THE OTHER PARTY. THE AGREEMENT SHALL INCLUDE TERMS FOR
15 RELOCATION AND MILITARY DUTY.

16 4. DESCRIBE THE SCOPE OF PRIMARY CARE SERVICES THAT ARE COVERED BY
17 THE PERIODIC FEE.

18 5. SPECIFY THE PERIODIC FEE FOR THE AGREEMENT AND ANY ADDITIONAL
19 FEES OUTSIDE OF THE PERIODIC FEE FOR ONGOING CARE UNDER THE AGREEMENT.

20 6. SPECIFY THE DURATION OF THE AGREEMENT AND ANY AUTOMATIC RENEWAL
21 PERIODS.

22 7. PROVIDE A PROMINENT WRITTEN DISCLAIMER THAT THE AGREEMENT IS NOT
23 HEALTH INSURANCE AND THAT READS, IN SUBSTANTIALLY THE FOLLOWING FORM:

24 NOTICE: THE ORGANIZATION FACILITATING THE DIRECT PRIMARY CARE
25 AGREEMENT IS NOT AN INSURANCE COMPANY AND THE DIRECT PRIMARY
26 CARE COMPANY GUIDELINES AND AGREEMENT ARE NOT AN INSURANCE
27 POLICY. PARTICIPATION IN THE DIRECT PRIMARY CARE AGREEMENT OR
28 A SUBSCRIPTION TO ANY OF ITS DOCUMENTS SHOULD NOT BE
29 CONSIDERED TO BE A HEALTH INSURANCE POLICY. REGARDLESS OF
30 WHETHER YOU RECEIVE TREATMENT FOR HEALTH CARE ISSUES THROUGH
31 THE DIRECT PRIMARY CARE AGREEMENT, YOU ARE ALWAYS PERSONALLY
32 RESPONSIBLE FOR PAYING ANY ADDITIONAL HEALTH CARE EXPENSES YOU
33 MAY INCUR. IF YOU HAVE HEALTH INSURANCE, IT MAY INCLUDE, AT
34 NO ADDITIONAL CHARGE, SOME OF THE PREVENTIVE SERVICES THAT ARE
35 ALSO AVAILABLE UNDER THIS DIRECT PRIMARY CARE AGREEMENT. THE
36 PRIMARY CARE PROVIDER MAY NOT BILL YOUR HEALTH INSURANCE FOR
37 PRIMARY CARE SERVICES PROVIDED UNDER THIS DIRECT PRIMARY CARE
38 AGREEMENT.

39 44-1799.93. Direct primary care provider; acceptance and
40 discontinuance of patients

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

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

13 5. THE DIRECT PRIMARY CARE PROVIDER DISCONTINUES PRACTICING AS A
14 DIRECT PRIMARY CARE PROVIDER.

15 6. THE DIRECT PRIMARY CARE PROVIDER CHANGES THE SERVICES OFFERED OR
16 THE SCOPE OF PRACTICE PROVIDED TO PATIENTS.

17 7. THE DIRECT PRIMARY CARE PROVIDER GIVES A THIRTY-DAY WRITTEN
18 NOTICE TO THE PATIENT TERMINATING THE DIRECT PRIMARY CARE AGREEMENT.

19 44-1799.94. Direct primary care agreements; fees

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

24 B. A DIRECT PRIMARY CARE AGREEMENT SHALL PROHIBIT THE DIRECT
25 PRIMARY CARE PROVIDER FROM SUBMITTING A CLAIM FOR REIMBURSEMENT TO THE
26 PATIENT'S HEALTH CARE INSURER FOR PRIMARY CARE SERVICES THAT ARE PROVIDED
27 TO THE PATIENT AND THAT ARE COVERED UNDER THE DIRECT PRIMARY CARE
28 AGREEMENT.

29 C. A DIRECT PRIMARY CARE AGREEMENT MAY ALLOW THE PERIODIC FEE AND
30 ANY ADDITIONAL FEES FOR ONGOING CARE UNDER THE AGREEMENT TO BE PAID BY A
31 HEALTH CARE INSURER OR OTHER THIRD PARTY.

32 44-1799.95. Direct primary care agreements; dentists

33 A DIRECT PRIMARY CARE AGREEMENT FOR DENTAL SERVICES IS LIMITED TO
34 SERVICES PROVIDED WITHIN A SINGLE PROFESSIONAL PRACTICE AND MAY NOT
35 INCLUDE SERVICES OFFERED BY DENTISTS IN OTHER PRACTICE ENTITIES.

36 44-1799.96. Direct primary care agreements; regulation

37 A DIRECT PRIMARY CARE AGREEMENT FOR MEDICAL OR DENTAL SERVICES DOES
38 NOT CONSTITUTE THE TRANSACTION OF INSURANCE BUSINESS OR A HEALTH CARE
39 SERVICES ORGANIZATION IN THIS STATE FOR THE PURPOSES OF REGULATION UNDER
40 TITLE 20.