

## CO-SPONSORSHIP MEMORANDUM

**Date:** January 14, 2019

**To:** Members of the Wisconsin State Legislature

**From:** Rep. Sanfelippo, Sen. Kapenga

**Re:** Co-sponsorship of LRB 0413 and LRB, relating to direct primary care primary care agreements.

**Deadline:** Friday, January 25, 2019 at Noon.

Americans across the country are struggling to afford healthcare. As insurance premiums grow and the cost of care continues to rise, families are forced to purchase high-deductible insurance plans with expensive co-pays. Often they end up foregoing routine primary care to avoid the extra costs.

Half of the states in the nation have recognized that direct primary care can play an important role in addressing these healthcare policy dilemmas.

Physicians in Wisconsin, and in 48 other states, have been performing Direct Primary Care (DPC) services for years. DPC provides primary healthcare services for a flat monthly membership fee. Usually it is between \$30 - \$100 a month, and a patient can see their doctor as often as they need without having to pay any additional per-visit fees. The services, and fees are fully disclosed and agreed upon prior to signing on as a patient and can be terminated at any time.

Recently, OCI highlighted that DPC isn't defined in statute, and does not need to be regulated like insurance. This bill defines the practice of DPC in statute, provides consumer protections and clarifies that DPC is healthcare not health insurance.

Additionally, a Legislative Council study committee on Direct Primary Care met this summer and concluded that DPC is a valuable component of Wisconsin's health care market and that the state should look into expanding the model for state employees. Note that in the prior legislative session there was a provision in the bill that related to tying DPC into the Medicaid system, however, that provision is not included in this bill.

If you would like to co-sponsor this legislation, please reply to this email or contact Rep. Sanfelippo at 6-0620 or Sen. Kapenga at 6-9174 no later than Friday, January 25, 2019 at Noon.

### *Analysis by the Legislative Reference Bureau*

This bill exempts valid direct primary care agreements from the application of insurance law. A direct primary care agreement, as defined in the bill, is a contract between a health care provider that provides primary care services under the provider's scope of practice and an individual

patient, or his or her legal representative, or an employer in which the health care provider agrees to provide primary care services to the patient or employee for an agreed-upon subscription fee and period of time. A valid direct primary care agreement is signed and in writing and does all of the following:

- 1) allows either party to terminate the agreement upon written notice and specifies the terms for termination and the subscription fee;
- 2) describes and quantifies the specific primary care services that are provided under the agreement;
- 3) specifies the duration of the agreement;
- 4) prominently states that the agreement is not health insurance and may not satisfy insurance coverage requirements under federal law;
- 5) prohibits the provider and patient from billing an insurer or any other third party on a fee-for-service basis for the primary care services included in the subscription fee under the agreement;
- 6) prominently states that the individual patient, or employer if applicable, is responsible for paying the provider for all services that are not included in the subscription fee under the agreement; and
- 7) prominently states that the patient is urged to consult with any health insurance carrier the patient has before entering the agreement, that some services provided under the agreement may be covered by any health insurance the patient has, and that direct primary care fees may not be credited toward deductibles or out-of-pocket maximum amounts under any health insurance the patient has.

The bill prohibits a health care provider from discriminating on the basis of age, citizenship status, color, disability, gender or gender identity, genetic information, health status, existence of a preexisting medical condition, national origin, religion, sex, sexual orientation, or any other protected class when selecting patients for entering into direct primary care agreements. The health care provider, however, may base subscription fees under a direct primary care agreement on age.

If you would like to co-sponsor this legislation, please reply to this email or contact Rep. Sanfelippo at 6-0620 or Sen. Kapenga at 6-9174 no later than **Friday, January 25, 2019 at Noon.**