



# ALASKA STATE LEGISLATURE

## House Labor & Commerce Committee

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### Summary of Changes

CSHB 176 (L&C) Version A to Version B

#### **Section 1**

**Page 1, line 7;** Removes “or the representative of the patient” and makes conforming changes throughout the bill.

**Page 1, line 8;** Replaces “periodic” with “annual” and makes conforming changes throughout the subsection.

**Page 1, lines 9-11;** Adds new subsection (b), reordering language from version A.

**Page 1, lines 11-14;** Inserts new language requiring that annual fees must be comparable for comparable services and may not be based solely on the patient’s health status or sex.

**Page 2, lines 5-6;** Adds a new subsection (c) and reorders following subsections accordingly. Adds language to clarify what entities can participate in direct health care agreements.

#### **Page 2, lines 14-23;**

Removes language in subsection (4) of version A and replaces it with additional requirements for the direct health care agreement as follows:

- (4) it must be printed in a font not smaller than 12 points and written using plain language that an individual with no medical training can understand;
- (5) it must identify and include contact information for the person responsible for receiving and addressing a complaint made by a patient; and
- (6) it must state that the annual fee under the agreement for services must be comparable to other patients under the provider’s other direct health care agreements and may not be based solely on the patient’s health status or sex.

#### **Page 2, lines 24-30;**

Inserts a new subsection (d), which allows a patient to terminate a health care agreement in writing within 30 days of entering the agreement. This subsection also provides that if a patient terminates an agreement, the provider must refund payments made, other than payments for services already performed. A nominal termination fee may be charged.

***Page 2, line 31 – page 3, line 13;***

Adds language in subsection (e) and a new subsection (f) to state that a direct health care agreement may be terminated in writing after at least 30 days' notice or in accordance with the agreement. An agreement must provide for a refund and may provide for a nominal termination penalty or nominal termination fee.

Additionally, a new subsection (g) is added, which allows the parties to a direct health care agreement to modify or renew the agreement by written agreement of the parties. A health care provider may not change the annual fee under the agreement more than once a year and shall provide at least 45 days' written notice of a change in the annual fee.

***Page 3, lines 14-16;*** Reverses language in version A to make direct health care agreements subject to AS 21.07 (Patient Protections Under Health Care Insurance Policies) and AS 21.36 (Trade Practices and Frauds).

***Page 3, line 28 – page 4, line 20;***

Inserts new subsection (j), providing that a person may not make, publish, or disseminate an assertion, representation, or statement with respect to the business of direct health care agreements, or with respect to a person in the conduct of the person's direct health care agreement business that is untrue, deceptive, or misleading, and may not:

- (1) misrepresent the benefits, advantages, conditions, sponsorship, source, or terms of a direct health care agreement;
- (2) use a name or title of a direct health care agreement misrepresenting its true nature; or
- (3) make a false or misleading statement as to a direct health care agreement.

Additionally, inserts a new subsection (k), which requires that health care providers entering into health agreements file a report with the division of insurance no later than September 1 that includes

- (1) the number of health care providers in the health care practice;
- (2) the number of direct health care patients the health care practice has the capacity to serve;
- (3) the number of government entities, patients, and employers of patients that entered or maintained a direct health care agreement with the health care practice in the preceding calendar year and the annual fee paid by each government entity, patient, and employer of a patient, as applicable, under the direct health care agreement; and
- (4) other information requested by the division.

***Page 4, lines 22-23;*** Inserts a new subsection (1) defining a "health care practice" as "a firm, corporation, association, institution, or other person licensed or otherwise authorized in this state to provide health care services;" and renumbers subsections accordingly.

***Page 5, lines 20-22;*** Inserts a new subsection (c), which allows health care providers to decline entering into a direct care agreement with a new patient if the health care provider does not have the capacity to accept new patients.

***Page 5, line 26;*** References the definition for "health care provider" in AS 21.03.025(I).

***Page 5, line 28;*** Inserts a new subsection (58), to add violating AS 21.03.025 (direct health care agreements) under the unlawful acts and practices statute of Article 3, Unfair Trade Practices and Consumer Protection, and renumbers the following subsection accordingly.