

ALASKA STATE LEGISLATURE

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Senator David Wilson

Sponsor Statement

Senate Bill 45

“An Act relating to insurance; relating to direct health care agreements; and relating to unfair trade practices.”

Senate Bill 45 is necessary to reduce barriers between Alaskans and their chosen health care provider. This bill allows patients and healthcare providers to enter into direct health care agreements (DHCA). A direct health care agreement is a contractual agreement between a patient and a provider for health care services. The patient pays a flat, periodic fee (generally monthly) in exchange for routine visits and access to their healthcare provider.

These agreements are only between a provider and a patient. Unlike the insurer-patient-provider trifecta, in a DHCA agreement, no third-party is directly participating in or profiting from the provider-patient relationship. Doctors currently spend about half their working hours on paperwork – including paperwork for third party insurance. Direct Health Care (DHC) reduces bureaucracy by allowing patients to pay a flat fee for routine care instead of billing insurance for every doctor’s visit. The reduction in administrative burden leads to greatly reduced costs and more time in the day for doctors to spend with their patients.

While a person with private health insurance may elect to obtain a DHCA to supplement their current health insurance – such as a high deductible plan, but these models are not health insurance – nor do they replace it – and should not be regulated as such.

This bill will clearly exclude qualified DHCA from Title 21, or insurance regulations, and will clear up any confusion regarding the legality of direct health care agreements thereby improving the public’s access to lower cost, high quality health care.

Please contact Jasmin Martin in my office at (907)465-8165 or by email at Jasmin.Martin@akleg.gov for more information. I respectfully ask for your support of this legislation.