

**ONE HUNDRED FOURTH LEGISLATURE - SECOND SESSION - 2016**  
**COMMITTEE STATEMENT**  
**LB817**

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**Hearing Date:** Tuesday February 09, 2016  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** Riepe  
**One Liner:** Adopt the Direct Primary Care Agreement Act

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**

<b>Aye:</b>	7	Senators Campbell, Fox, Gloor, Lindstrom, Scheer, Schumacher, Williams
<b>Nay:</b>		
<b>Absent:</b>	1	Senator Craighead
<b>Present Not Voting:</b>		

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**Verbal Testimony:**

**Proponents:**

Senator Merv Riepe  
Robert Wergin  
Clint Flanagan  
Calder Lynch  
Erika Fennen  
Senator Mark Kolterman

**Representing:**

Introducer  
American Academy of Family Physicians  
Nextera Healthcare  
NE Department of Health and Human Services  
Self  
District 24 and Kolterman Agency

People who would have testified had time restraints not prevented them from speaking:

Bob Rauner

NE Academy of Family Physicians and NE Medical Association

Jeanne McClure

CHI Health

LaDonna Hart

NE Nurse Practitioners

Joel Bessmer

Self

Jessica Herrmann

Platte Institute

Rowen Zetterman

Self

Bob Hallstrom

National Federation of Independent Business and NE Chamber of Commerce and Industry

Ed Truemper

Children's Hospital

**Opponents:**

**Representing:**

**Neutral:**

Eric Dunning

**Representing:**

Blue Cross and Blue Shield of NE

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**Summary of purpose and/or changes:**

This bill would enact 11 new sections to be known as the Direct Primary Care Agreement Act with a stated purpose of confirming that direct primary care agreements that meet the requirements of the act do not constitute insurance or function as a qualified health plan pursuant to any federal mandates.

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Section 1 would provide for a named act.

Section 2 would provide for legislative intent and purpose.

Section 3 would provide for definitions: (1) "Direct agreement;" (2) "Direct patient;" (3) "Direct provider" ((a) a physician or nurse practitioner, (b) a group of physicians or nurse practitioners, or (c) an entity that sponsors, employs, or is otherwise affiliated with a group of physicians or nurse practitioners if (i) the entity is wholly owned by the group or is a tax exempt nonprofit corporation and (ii) the entity is not otherwise regulated as a health care service contractor, HMO, or disability insurer); (4) "Direct service;" (5) "Patient's representative;" and (6) "Primary Care" (general health care services of the type provided at the time a patient seeks preventative care or first seeks health care services for a specific health concern).

Section 4 would provide that in order to be valid under the act, a direct agreement between a direct provider and a direct patient or the patient's representative in which the direct provider charges a direct service charge as consideration for being available to provide and for providing primary care services to the direct patient shall meet the requirements set forth in this section, including that a direct agreement shall describe the scope of the primary care services included, that a direct care agreement shall state each location where primary care services may be provided and whether out-of-office services are included, that a direct agreement shall specify the direct service charge and any other charges, and that a direct agreement shall specify its duration, whether renewal is automatic and procedures for renewal.

Section 5 would provide that a direct provider shall provide a written disclaimer that informs a patient of his or her financial rights and responsibilities and that states that the direct provider will not bill a health insurance carrier for services covered under the direct agreement.

Section 6 would provide that a direct provider shall not refuse to accept a new direct patient or discontinue care to an existing direct patient solely because of the patient's health status.

Section 7 would provide that a direct agreement is not insurance and is not subject to Chapter 44 (Insurance) and that a direct provider or an agent of a direct provider is not required to obtain a certificate of authority or license under Chapter 44 to sell or offer to sell a direct agreement. This section would provide that a direct provider shall not bill an insurer for services provided under a direct agreement and that a direct provider is not prohibited from billing insurance for services not provided under a direct agreement.

Section 8 would provide that a direct provider may accept payment of direct service charges directly or indirectly from third parties.

Section 9 would provide that a direct agreement shall not be sold or transferred by either party without the written consent of the other party.

Section 10 would provide that a direct provider may accept payment of direct service charges directly or indirectly from the medical assistance program under the Medical Assistance Act.

Section 11 would provide that a direct provider may provide primary care services to a patient who is not a party to a direct agreement with that provider and may receive payment for the services.

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Jim Scheer, Chairperson