



The Maryland State Medical Society

1211 Cathedral Street
Baltimore, MD 21201-5516
410.539.0872
Fax: 410.547.0915

1.800.492.1056

www.medchi.org

TO: The Honorable Delores G. Kelley, Chair
Members, Senate Finance Committee
The Honorable Clarence K. Lam

FROM: Gene Ransom, CEO

DATE: March 4, 2020

RE: **SUPPORT** – Senate Bill 727 – *Insurance Law – Application to Direct Primary Care Agreements – Exclusion*

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports** Senate Bill 727, which defines a “direct primary care agreement” to specify that it is not health insurance, a health benefit plan, or long-term care insurance, nor is it subject to provisions governing health insurance or nonprofit health benefit plans. By doing so, the bill exempts a primary care provider (or agent) that provides primary care services in accordance with a “direct primary care agreement” from insurance producer licensing requirements.

A “direct primary care agreement” is an option to complement, not substitute insurance products. In other states that recognize these agreements, it is often used in combination with high deductible plans. Currently, these products are being used in Maryland but there is a lack of clarity in the law regarding their use. Senate Bill 727 is based on model state legislation from the Direct Primary Care Coalition. At least 23 states have enacted legislation defining DPC agreements and excluding such agreements from insurance regulation.

For these reasons, MedChi respectfully requests that the Committee support Senate Bill 727.