

MedChi

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

FROM: Danna L. Kauffman
Pamela Metz Kasemeyer
J. Steven Wise
Richard A. Tabuteau

DATE: February 20, 2019

RE: **SUPPORT** – Senate Bill 315 – *Insurance Law – Application to Direct Primary Care Agreements – Exclusion*

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports** Senate Bill 315, 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, it is our understanding that these products are being used in Maryland, but there is a lack of clarity in the law regarding their use. Senate Bill 315 is based on model state legislation from the Direct Primary Care Coalition. At least 25 states have enacted legislation defining Direct Primary Care agreements and excluding such agreements from insurance regulation. Senate Bill 315 seeks to recognize this type of product in law, thereby providing needed clarity.

For these reasons, MedChi respectfully requests that the Committee support Senate Bill 315.

For more information call:

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