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Support SB 685

Application to Direct Primary Care Agreements – Exclusion

Senator Clarence Lam

Why SB 685 is Needed

- The use of primary care has declined across the United States, despite clear research showing that primary care improves patient outcomes.
- Research suggests this decline is due to the lower pay for primary care physicians (as opposed to specialists), high medical school debt, and primary care physician burnout associated with insurance-related paperwork and limited time with patients.
- Direct primary care (DPC) is an emerging model that is an alternative to fee-for-service arrangements. DPC uses a contract that exchanges a regular membership payment (typically \$25 to \$125 per month) for specified healthcare services.
- Covered services usually include same day/next day clinic visits, laboratory tests (including urinalysis, X-rays, and EKGs), and negotiated discounts for services from other physicians.

What SB 685 Does

- SB 685 creates a clear definition of a “direct primary care agreement.”
- SB 685 excludes DPC contracts that meet certain requirements from provisions of insurance laws to reduce overhead costs.
- SB 685 protects patients by requiring certain language in contracts (e.g. a notice that the DPC agreement is not insurance and does not meet insurance mandate requirements) and authorizing the Office of the Attorney General to help consumers understand these agreements.

Current Direct Primary Care Laws

- 22 states have passed legislation stating that DPC is not insurance.
- There are currently DPC practices in Maryland, and their numbers are expected to grow.