

Legislative Analysis



MEDICAL RETAINER AGREEMENTS

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Senate Bill 1033 (H-4)

Sponsor: Sen. Patrick J. Colbeck

(Enacted as Public Act 522 of 2014)

House Committee: Insurance

Senate Committee: Insurance

Complete to 12-16-14

A SUMMARY OF THE (H-4) SUBSTITUTE TO SENATE BILL 1033 REPORTED FROM HOUSE COMMITTEE ON 12-16-14

Senate Bill 1033 would amend the Insurance Code to specify that a medical retainer agreement is not insurance and would not be subject to the Code. Under the bill, a health care provider or agent of a health care provider would not be required to obtain a certificate of authority or license to market, sell, or offer to sell, a medical retainer agreement.

The bill defines "medical retainer agreement" as a contract between a health care provider and an individual patient or his or her legal representative in which the health care provider agrees to provide routine health care services to the individual patient for an agreed-upon fee and period of time. Routine health care services are composed of ambulatory services and do not include hospitalization coverage.

FISCAL IMPACT:

The number of individuals opting to purchase a medical retainer agreement cannot be predicted accurately. Such individuals may or may not have health insurance coverage currently. Any dollar volume of this business that reduces traditional insurance coverage will have a negative impact on Health Insurance Claims Assessment (HICA) revenue, which is currently levied at the rate of 0.75% and helps support the state's Medicaid program. GF/GP funds would be necessary to offset any lost HICA revenue.

SB 1033 would not have a significant impact on the Department of Insurance and Financial Services.

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