

The Senate Committee on Insurance and Labor offered the following substitute to HB 882:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to  
2 eliminate the foreign and alien insurer deposit requirement of securities eligible for the  
3 investment of capital funds in certain amounts at the discretion of the Commissioner; to  
4 provide definitions; to provide that direct physician services agreements are not insurance;  
5 to exempt such agreements from regulation as insurance; to provide for discontinuance of  
6 services under certain circumstances; to provide for related matters; to repeal conflicting  
7 laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 SECTION 1.

10 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by  
11 revising Code Section 33-3-9, relating to requirement of additional deposits of securities by  
12 foreign and alien insurers, as follows:

13 "33-3-9.

14 ~~(a) In addition to the deposit required by Code Section 33-3-8, each foreign and alien~~  
15 ~~insurer shall deposit with the Commissioner securities eligible for the investment of capital~~  
16 ~~funds in an amount not less than \$10,000.00 nor more than \$25,000.00 at the discretion of~~  
17 ~~the Commissioner. This deposit and the deposit required by paragraph (1) of subsection (b)~~  
18 ~~of Code Section 33-3-8 shall be administered as provided in Chapter 12 of this title.~~  
19 ~~Deposits under this Code section shall be held for the protection of the insurer's~~  
20 ~~policyholders in Georgia and others in Georgia entitled to the proceeds of its policies.~~

21 ~~(b) On and after July 1, 1967, in those instances in which the Commissioner in his or her~~  
22 ~~judgment shall deem it to be in the best interests of the citizens of this state, no certificate~~  
23 ~~of authority shall be issued by the Commissioner to any foreign and alien insurer nor shall~~  
24 ~~any certificate of authority be renewed for any such insurer unless said such insurer shall~~  
25 ~~deposit with the Commissioner, in addition to those requirements provided for in~~  
26 ~~subsection (a) of this Code section, securities eligible for the investment of capital funds~~  
27 ~~in such amount as the Commissioner shall require, ; but in no event shall he require a~~

28 ~~deposit of additional securities which would bring the aggregate total of such securities~~  
 29 ~~required by this Code section to be on deposit to exceed \$100,000.00. Such additional~~  
 30 ~~deposits~~ This deposit and the deposit required by paragraph (1) of subsection (b) of Code  
 31 Section 33-3-8 shall be administered as provided for in this subsection Chapter 12 of this  
 32 title. ; provided, however, such additional deposits shall not apply to foreign and alien life  
 33 insurers. Deposits under this Code section shall be held for the protection of the insurer's  
 34 policyholders in this state and others in this state entitled to the proceeds of its policies."

## 35 SECTION 2.

36 Said title is further amended by adding a new Code section to read as follows:

37 "33-7-2.1.

38 (a) As used in this Code section, the term:

39 (1) 'Direct physician services agreement' means a contract between a physician and an  
 40 individual patient or his or her legal representative in which the physician or the  
 41 physician's medical practice agrees to provide health care services to the individual  
 42 patient for an agreed-upon fee and period of time.

43 (2) 'Physician' means a person licensed to practice medicine pursuant to Article 2 of  
 44 Chapter 34 of Title 43.

45 (3) 'Physician practice' means a physician or physician's medical practice that charges  
 46 a periodic fee for services, does not bill any third parties on a fee-for-service basis, and  
 47 whose per visit charge is less than the monthly equivalent of the periodic fee.

48 (b) A direct physician services agreement is not insurance, shall not be deemed an  
 49 insurance arrangement nor agreement, and is not subject to state insurance laws. Health  
 50 care services rendered under a direct physician services agreement shall not be submitted  
 51 by the physician to any insurance plan.

52 (c) A physician offering, marketing, selling, or entering into a direct physician services  
 53 agreement shall not be required to obtain a certificate of authority or license other than to  
 54 maintain a current license to practice medicine with the State of Georgia.

55 (d) To be considered a direct physician services agreement for the purposes of this Code  
 56 section, such agreement shall:

57 (1) Be in writing;

58 (2) Be signed by a physician or agent of the physician and the individual patient or his  
 59 or her legal representative;

60 (3) Allow either party to terminate such agreement upon written notice to the other party  
 61 of no more than 30 days;

62 (4) Describe the scope of health care services that are covered by the periodic fee;

- 63 (5) Specify the periodic fee and any additional fees outside of the periodic fee for  
 64 ongoing care;
- 65 (6) Specify the duration of such agreement and any automatic renewal periods and  
 66 require that no more than 12 months of the periodic fee be paid in advance; and
- 67 (7) Prominently state in writing that such direct physician services agreement is not  
 68 health insurance and does not qualify as health insurance coverage under state or federal  
 69 law.
- 70 (e) A physician providing health care services under a direct physician services agreement  
 71 may decline to accept a patient if, in the physician's opinion, such patient's medical  
 72 condition is such that the physician is unable to provide the appropriate level and type of  
 73 health care services such patient requires. The physician may discontinue care for patients  
 74 under the direct physician services agreement if:
- 75 (1) The patient fails to pay the periodic fee;  
 76 (2) The patient has performed an act of fraud;  
 77 (3) The patient repeatedly fails to adhere to the recommended treatment plan;  
 78 (4) The patient is abusive and presents an emotional or physical danger to the staff or  
 79 other patients of the physician's medical practice; or  
 80 (5) The physician or the physician's medical practice discontinues operation as a  
 81 physician practice."

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**SECTION 3.**

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All laws and parts of laws in conflict with this Act are repealed.