

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 1. Short title. This Act may be cited as the In-Office Membership Care Act.

Section 5. Public policy. It is the policy of the State of Illinois to promote personal responsibility for health care and the cost-effective delivery of dental services by encouraging innovative use of in-office membership care practices for dental care. In-office membership care practices utilize a model of periodic fees for provider access and management over time, rather than simply a fee for visit or procedure service model. Some patients and individual dental care providers may wish to establish direct agreements with one another as an alternative to traditional fee-for-service care financed through health insurance. The purpose of this Act is to confirm that in-office membership care agreements that satisfy the provisions of this Act do not constitute insurance and as such are not subject to the Illinois Insurance Code.

Section 10. Definitions. In this Act:

"Dental care provider" means a natural person or persons licensed or otherwise legally authorized to provide health care

services in the State of Illinois in the field of dentistry who provides such services either alone or with others at the same location or other location affiliated with the practice in a form and within a scope permitted by such licensure or legal authorization for the provision of such services and who enters into an in-office membership care agreement.

"Direct fee" means an agreed-upon fee charged by a dental care provider as consideration for providing and being available to provide in-office membership care services described in an in-office membership care agreement.

"In-office membership care agreement" means a written contract between a dental care provider or group of providers and an individual patient, the patient's family, or the patient's representative in which the dental care provider agrees to provide in-office membership care services to the patient over a specified period of time for payment of a direct fee.

"In-office membership care services" means services that a dental care provider is licensed or otherwise legally authorized to provide, including, but not limited to, (i) dental screenings, assessments, diagnoses, and treatments for the purpose of promoting health; (ii) detection, management, and care of disease or injury; and (iii) routine preventive or diagnostic dental treatment.

"Patient" means a person who is entitled to receive in-office membership care services under an in-office

membership care agreement.

Section 15. In-office membership care agreement provisions.

(a) An in-office membership care agreement shall identify:

(1) the dental care provider or providers and the patient or patients;

(2) the general scope of services as well as the specific services to be provided by the dental care provider as part of the in-office membership care agreement;

(3) the location or locations where services are to be provided;

(4) the amount of the direct fee and the time interval at which it is to be paid; and

(5) the term of the in-office membership care agreement and the conditions upon which it may be terminated by the dental care provider.

(b) An in-office membership care agreement shall be terminable at will by written notice from the patient to the dental care provider.

(c) If a party provides written notice of termination of the in-office membership care agreement, the dental care provider may refund to the patient all unearned direct fees associated with the covered services under the in-office membership care agreement.

Section 20. Location of in-office membership care services. In-office membership care services may be provided in a dental care provider's office or another location in which a patient visit with the dental care provider needs to occur.

Section 25. Insurance billing prohibited. Neither the patient nor the dental care provider shall submit a bill to an insurer for the services provided under an in-office membership care agreement.

Section 30. In-office membership care agreements not classified as insurance. In-office membership care agreements are not subject to regulation as insurance under the Illinois Insurance Code.

Section 35. Disclaimer. An in-office membership care agreement shall include the following disclaimer: "This agreement does not provide health insurance coverage, including the minimal essential coverage required by applicable federal law. It provides only the services described herein. It is recommended that health care insurance be obtained to cover dental services not provided for under this in-office membership care agreement."

Section 40. Restrictions on transfer. An in-office

membership care agreement may not be sold or transferred by the dental care provider without the written consent of the patient and may be transferred only to another dental care provider. An in-office membership care agreement may not be sold to a group, employer or group of subscribers because it is an individual agreement between a dental care provider and a patient. These limitations do not prohibit the presentation of marketing materials to groups of potential patients or their representatives.

Section 45. Effect of this Act. This Act does not prohibit dental care providers who are not dental care providers offering in-office membership care agreements from entering into agreements with patients to the extent such agreements do not violate the provisions of the Illinois Insurance Code.

Section 80. The Illinois Insurance Code is amended by changing Section 352 as follows:

(215 ILCS 5/352) (from Ch. 73, par. 964)

Sec. 352. Scope of Article.

(a) Except as provided in subsections (b), (c), (d), and (e), this Article shall apply to all companies transacting in this State the kinds of business enumerated in clause (b) of Class 1 and clause (a) of Class 2 of section 4. Nothing in this Article shall apply to, or in any way affect policies or

contracts described in clause (a) of Class 1 of Section 4; however, this Article shall apply to policies and contracts which contain benefits providing reimbursement for the expenses of long term health care which are certified or ordered by a physician including but not limited to professional nursing care, custodial nursing care, and non-nursing custodial care provided in a nursing home or at a residence of the insured.

(b) (Blank).

(c) A policy issued and delivered in this State that provides coverage under that policy for certificate holders who are neither residents of nor employed in this State does not need to provide to those nonresident certificate holders who are not employed in this State the coverages or services mandated by this Article.

(d) Stop-loss insurance is exempt from all Sections of this Article, except this Section and Sections 353a, 354, 357.30, and 370. For purposes of this exemption, stop-loss insurance is further defined as follows:

(1) The policy must be issued to and insure an employer, trustee, or other sponsor of the plan, or the plan itself, but not employees, members, or participants.

(2) Payments by the insurer must be made to the employer, trustee, or other sponsors of the plan, or the plan itself, but not to the employees, members, participants, or health care providers.

(e) A policy issued or delivered in this State to the Department of Healthcare and Family Services (formerly Illinois Department of Public Aid) and providing coverage, under clause (b) of Class 1 or clause (a) of Class 2 as described in Section 4, to persons who are enrolled under Article V of the Illinois Public Aid Code or under the Children's Health Insurance Program Act is exempt from all restrictions, limitations, standards, rules, or regulations respecting benefits imposed by or under authority of this Code, except those specified by subsection (1) of Section 143, Section 370c, and Section 370c.1. Nothing in this subsection, however, affects the total medical services available to persons eligible for medical assistance under the Illinois Public Aid Code.

(f) An in-office membership care agreement provided under the In-Office Membership Care Act is not insurance for the purposes of this Code.

(Source: P.A. 99-480, eff. 9-9-15.)

Section 99. Effective date. This Act takes effect upon becoming law.