21 NCAC 10 .0305 PREPAID TREATMENT PLANS

(a) Prepaid Treatment Plan Defined. A "prepaid treatment plan" is a contract between a patient and a physician under which the patient, instead of paying for services as they are delivered, agrees in advance to pay a pre-determined total amount to the physician for a series of specified treatments and services to be performed by the physician or the physician's staff in the future and that are not covered by insurance. The patient's financial obligation may be payable in a lump sum or in periodic installments.

(b) Non-Conforming Plans Unlawful. A physician who offers to a patient a prepaid treatment plan that does not conform to this Rule shall be subject to disciplinary action pursuant to G.S. 90-154(b)(9), committing or attempting to commit fraud, deception, or misrepresentation.

(c) Required Contractual Provisions. A prepaid treatment plan shall be in writing and signed by the patient. The physician shall provide an accurate and complete copy of the plan document to the patient. In addition to any permissive provisions not in conflict with this Rule, the plan document shall contain the following mandatory provisions:

(1) The duration of the plan, measured either by number of office visits or calendar days;
(2) The therapeutic objectives of the plan, based on a physical examination and assessment of the patient performed by the physician prior to the plan's start date;
(3) The patient's cost to purchase the plan;
(4) A description of the services and products that are included within the plan and for which there will be no additional charges;
(5) A disclaimer, in bold-faced type, that the patient could incur additional charges if services and products not included within the plan are delivered to the patient during the course of treatment;
(6) A description of the physician's office policy regarding charges for cancelled office visits and office visits not kept; and
(7) A declaration of the patient's right to terminate the plan early and receive a refund in conformity with Paragraphs (d) and (e) of this Rule.

(d) Refund Calculation. The patient shall have the right to terminate a prepaid treatment plan at any point prior to the stated expiration without incurring any financial penalty. The physician may charge the patient the full amount for dispensed products that cannot be re-stocked, including opened nutritional supplements and used cervical pillows, orthotic and neurological appliances, and similar durable medical equipment. In all other respects, the amount of the refund payable to the patient shall be calculated strictly pro-rata, based on the measure of duration recited in the plan document (office visits or calendar days). No other method of refund calculation shall be permitted, and any provision in the plan that specifies another method of calculation shall be void.

(e) Notice of Plan Termination; Prompt Refund. The physician may require that a patient give notice of plan termination by delivery of a paper writing dated and signed by the patient or a person authorized to sign on the patient's behalf. The physician shall not impose any other procedural impediments to obtaining a refund. The physician shall issue the appropriate pro-rata refund within ten business days after receiving notice of plan termination.

(f) Administrative Fees. The physician shall not collect from a patient any fees for administering a plan other than pass-through fees for which the physician is liable, such as credit card processing fees.

History Note: *Authority G.S. 90-142; 90-154;*
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