

1 **Due to the lack of standards around Prepaid Treatment Plans and a significant increase in complaint**
2 **activity over the last 12 – 18 months, the Board believes it is appropriate to file a request to adopt the**
3 **following Rule. The Rule was filed on July 22, 2016 with a proposed effective date of January 1, 2017.**
4 **A Public Hearing will be held on October 6, 2016 at 6 PM at the Board Office located at 363 Church**
5 **St. N. Ste. 250-R, Concord, NC 28025.**

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7 The North Carolina Board of Chiropractic Examiners proposes to adopt a new rule to read as follows:

8 **21 NCAC 10 .0305 PREPAID TREATMENT PLANS**

9 A. Prepaid Treatment Plan Defined. A “prepaid treatment plan” is any contractual agreement between
10 a patient and a chiropractic physician under which the patient pays to the physician a lump sum in
11 advance for health care services that are to be performed by the physician or the physician’s staff
12 in the future and that are not covered by insurance.

13 B. Non-Conforming Plans Unlawful. A chiropractic physician who offers to a patient a prepaid
14 treatment plan that does not conform to this Rule shall be subject to disciplinary action pursuant to
15 N.C.G.S. 90-154(b)(9), Committing or Attempting to Commit Fraud, Deception or
16 Misrepresentation.

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

- 21 1. The duration of the plan, measured either by number of office visits or calendar days;
- 22 2. The therapeutic objectives of the plan, based on a physical examination and assessment of the
23 patient performed by the physician prior to the plan’s start date;
- 24 3. The patient’s cost to purchase the plan;
- 25 4. A description of the services and products that are included within the plan and for which there
26 will be no additional charges;
- 27 5. A disclaimer, in bold-faced type, that the patient could incur additional charges if services and
28 products not included within the plan are delivered to the patient during the course of treatment.
- 29 6. A description of the physician’s office policy regarding charges for cancelled office visits and
30 office visits not kept;
- 31 7. A declaration of the patient’s right to terminate the plan early and receive a refund in
32 conformity with Paragraphs D and E of this rule.

33 D. Refund Calculation. The patient shall have the right to terminate a prepaid treatment plan at any
34 point prior to the stated expiration without incurring any financial penalty. The physician may

1 charge the patient the full amount for dispensed products that cannot be re-stocked, including
2 opened nutritional supplements and used cervical pillows, orthotic and neurological appliances and
3 similar durable medical equipment. In all other respects, the amount of the refund payable to the
4 patient shall be calculated strictly pro-rata, based on the measure of duration recited in the plan
5 document (office visits or calendar days). No other method of refund calculation shall be permitted,
6 and any provision in the plan that specifies another method of calculation shall be void.

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

12 F. Administrative Fees. The physician shall not collect from a patient any fees for administering a
13 plan other than pass-through fees for which the physician is financially liable, such as credit card
14 processing fees.

15 *Authority G.S. 90-142; 90-154.*