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ENGROSSED SUBSTITUTE SENATE BILL 6391

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State of Washington

56th Legislature

2000 Regular Session

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Thibaudeau, Deccio and Kohl-Welles)

Read first time 02/02/2000.

1 AN ACT Relating to primary health care providers; and creating new  
2 sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature declares that promoting and  
5 maintaining a financially viable health care system in all parts of the  
6 state is a paramount interest. The legislature finds that, especially  
7 in rural communities, demographics and economic conditions may result  
8 in a large number of people relying on public programs to pay for their  
9 health care. In cases where providers serve a disproportionately large  
10 number of low-income clients, the reimbursement rates from public  
11 programs to primary health care providers may prove insufficient to  
12 maintain their medical practices. The legislature further finds that  
13 determining where providers serve a disproportionately large number of  
14 low-income clients and developing strategies to provide additional  
15 compensation will help stabilize the current health care system,  
16 especially in rural areas.

17 NEW SECTION. **Sec. 2.** (1) The primary health care provider study  
18 is authorized.

1 (2) The medical assistance administration and the health care  
2 authority shall jointly conduct a state-wide study to determine payment  
3 sources for primary health care providers performing outpatient primary  
4 care services and primary care in hospital emergency rooms for the  
5 state's medical assistance programs, including healthy options and the  
6 basic health plan. The purpose of the study is to determine which  
7 providers serve a relatively high number of low-income clients, and how  
8 that affects their medical practice. The agencies are directed to use  
9 this data to develop proposals to support these providers' medical  
10 practices.

11 (3) The medical assistance administration and the health care  
12 authority shall conduct a study of individual primary care providers  
13 who perform outpatient primary care services. This includes primary  
14 care providers such as pediatricians, family practitioners, general  
15 practitioners, internists, physician assistants, or advanced registered  
16 nurse practitioners. The agencies will determine which regions of the  
17 state to include in the study, based on factors they determine will  
18 provide the most representative data state-wide. The agencies shall  
19 also consult with interested parties, including any organization or  
20 agency affected by this act. Interested and affected organizations and  
21 agencies include, but are not limited to, representatives of the  
22 medical society, representatives of hospitals employing primary care  
23 physicians, representatives of hospitals providing medical residency  
24 programs, representatives of health maintenance organizations employing  
25 primary care physicians, and representatives of the Washington rural  
26 health association. When consulting with interested and affected  
27 organizations and agencies, the medical assistance administration and  
28 the health care authority shall seek the input of these organizations  
29 and agencies concerning how best to construct the methodology or  
30 methodologies that are needed to successfully complete the primary  
31 health care provider study, including, but not limited to, how to  
32 calculate provider cost relative to a regional consumer price index,  
33 patient mix, and organizational variables. As the study develops, the  
34 medical assistance administration and the health care authority shall  
35 continue to consult with the affected organizations and agencies in  
36 order to produce final study methodologies that accurately reflect the  
37 impact of the issues on the affected organizations and agencies. To  
38 conduct the study, the agencies may seek information in relation to  
39 such factors as:

1 (a) The rates paid to primary care providers for their medical  
2 assistance programs, including healthy options, and basic health plan  
3 contracts;

4 (b) How these rates compare with nonpublic pay clients for the same  
5 services; and

6 (c) The payment sources for the providers examined in the study,  
7 the size of their medical practices, and other factors determined by  
8 the agencies that may be important in developing payment methods for  
9 such providers.

10 The agencies are authorized to attain this information from health  
11 plans or providers. The agencies will maintain the confidentiality of  
12 data collected for the purpose of the study.

13 (4) The medical assistance administration and the health care  
14 authority shall determine what constitutes a relatively high percentage  
15 of low-income clients for individual providers who contract for healthy  
16 options and the basic health plan, and recommend whether and at what  
17 point this disproportionately high percentage should result in  
18 additional compensation to the primary care provider.

19 (5) The medical assistance administration and the health care  
20 authority will recommend a method to calculate a payment adjustment  
21 designed to help support medical practices, according to the study's  
22 findings.

23 (6) The medical assistance administration and the health care  
24 authority shall report to the legislature by December 1, 2000, with the  
25 results of the primary health care provider study. The report will  
26 include recommendations on: (a) What constitutes a disproportionately  
27 high percentage of low-income clients; (b) possible payment adjustments  
28 for these providers; (c) methods to implement such a rate adjustment;  
29 and (d) what such a payment adjusted program will cost.

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