
SENATE BILL 6391

State of Washington

56th Legislature

2000 Regular Session

By Senators Thibaudeau, Deccio and Kohl-Welles

Read first time 01/14/2000. Referred to Committee on Health & Long-Term Care.

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 result in a
8 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 the financial viability of their medical practices. The
13 legislature further finds that determining where these inequities are
14 and developing strategies to correct them will help stabilize the
15 current health care system, especially in rural areas.

16 NEW SECTION. **Sec. 2.** (1) The disproportionate share study is
17 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 for the state's health options and basic health plan.
5 The purpose of the study is to determine which providers serve a
6 relatively high number low-income clients, and how that affects the
7 financial viability of their medical practice. The agencies are
8 directed to use this data to develop proposals that address any
9 inequities that threaten the financial stability of these providers.

10 (3) The medical assistance administration and the health care
11 authority shall develop a mechanism for gathering payment source
12 information from individual primary care providers who perform
13 outpatient primary care services. This includes primary care providers
14 such as pediatricians, family practitioners, general practitioners,
15 internists, physician assistants, or advanced registered nurse
16 practitioners. The agencies will determine which regions of the state
17 to seek this information from, based on factors they determine will
18 provide the most representative data state-wide. The agencies will
19 seek the following information:

20 (a) The rates paid to primary care providers for their healthy
21 options and basic health plan contracts;

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

24 (c) For each participating provider, data on the payment sources
25 for all of their clients. The agencies are authorized to attain this
26 information from health plans or providers.

27 (4) The medical assistance administration and the health care
28 authority shall determine what constitutes a relatively high percentage
29 of low-income clients for individual providers who contract for healthy
30 options and the basic health plan, and the point at which this
31 proportionately high percentage threatens the economic viability of the
32 primary care provider. The agencies will consider any relevant factors
33 in making this determination, including regional labor costs and other
34 economic factors that impact financial viability. The agencies will
35 identify providers whose practices may be threatened due to factors
36 determined in the study.

37 (5) The medical assistance administration and the health care
38 authority will calculate a payment adjustment designed to help

1 financially stabilize medical practices that are, according to the
2 study's findings, financially threatened.

3 (6) The medical assistance administration and the health care
4 authority shall report to the legislature by December 1, 2001, with the
5 results of the disproportionate share study. The report will include
6 recommendations on: (a) What constitutes a proportionately high number
7 of low-income clients, and how that threatens the financial viability
8 of primary care providers; (b) possible rate adjustment schedules for
9 these providers; (c) ways to implement such a rate adjustment; and (d)
10 what such an adjusted rate program will cost.

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