HOUSE BILL REPORT
E2SHB 2575

As Passed Legislature

Title: An act relating to establishing a state health technology assessment program.

Brief Description: Establishing a health technology assessment program.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Cody, Morrell and Moeller; by request of Governor Gregoire).

Brief History:

Committee Activity:

Health Care: 1/19/06, 1/31/06 [DPS];
Appropriations: 2/3/06, 2/4/06 [DP2S(w/o sub HC)].

Floor Activity:

Passed House: 2/8/06, 72-26.
Senate Amended.
Passed Senate: 3/3/06, 48-0.
House Concurred.
Passed House: 3/6/06, 97-1.
Passed Legislature.

Brief Summary of Engrossed Second Substitute Bill

- Creates an evidence-based health technology assessment program, including a clinical advisory committee.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Cody, Chair; Campbell, Vice Chair; Morrell, Vice Chair; Appleton, Clibborn, Green, Lantz, Moeller and Schual-Berke.

Minority Report: Do not pass. Signed by 5 members: Representatives Hinkle, Ranking Minority Member; Curtis, Assistant Ranking Minority Member; Alexander, Bailey and Condotta.

Staff: Dave Knutson (786-7146).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care. Signed by 19 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Clements, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, Miloscia, Schual-Berke, P. Sullivan and Talcott.

Minority Report: Do not pass. Signed by 11 members: Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Armstrong, Bailey, Buri, Chandler, Hinkle, Pearson, Priest and Walsh.

Staff: David Pringle (786-7310).

Background:

The Agency for Healthcare Research and Quality (AHRQ) is the health services research arm of the U.S. Department of Health and Human Services (DHHS). Its mission is to improve the quality, safety, efficiency, and effectiveness of health care for all Americans. The AHRQ sponsors and conducts research that provides evidence-based information on health care outcomes, quality, cost, and access for use by health care decision makers, including patients, clinicians, health system leaders, federal and state policymakers and others. In 1997, it launched its initiative to promote evidence-based practice in everyday health care through establishment of 12 Evidence-based Practice Centers (EPCs). The EPCs develop evidence reports and technology assessments on topics relevant to clinical, social science/behavioral, economic, and other health care organization and delivery issues, specifically those that are common, expensive, and/or significant for the Medicare and Medicaid populations. With this program, the AHRQ became a "science partner" with private and public organizations in their efforts to improve the quality, effectiveness, and appropriateness of health care by synthesizing the evidence and facilitating the translation of evidence-based research findings.

The AHRQ launched the EPC program in 1997 as an initiative to promote evidence-based practice in everyday care. The EPC program is a user-driven research partnership with private and public sector organizations to facilitate the translation and dissemination of research findings to the memberships and other target audiences of the partner organizations. These include federal and state agencies, private sector professional societies, health delivery systems, providers, payers, and others committed to evidence-based health care. Topics of interest identified by these partners may address clinical, social science/behavioral, economic, and other health care organization and delivery issues. They generally are common, expensive, and otherwise significant topics for Medicare, Medicaid, or other special populations.

Since the start of the program in 1997, the EPCs have conducted more than 100 systematic reviews and analyses of the literature on a wide spectrum of topics. The major products of the program are evidence reports, including comprehensive and more focused systematic reviews and technology assessments. These are based on rigorous syntheses and analyses of scientific literature.

In June 2002, the AHRQ announced the award of a second round of five-year contracts to the following 13 EPCs:

Blue Cross and Blue Shield Association Technical Evaluation Center, Chicago, IL;
Duke University, Durham, NC;
ECRI (formerly Emergency Care Research Institute), Plymouth Meeting, PA;
Johns Hopkins University, Baltimore, MD;
McMaster University, Hamilton, Ontario, Canada ;
Oregon Health & Science University, Portland, OR;
Research Triangle Institute International-University of North Carolina, Chapel Hill, NC ;
Southern California Evidence-based Practice Center Research and Development, Santa Monica, CA;
Stanford University, Stanford, and University of California, San Francisco, CA;
Tufts-New England Medical Center, Boston, MA;
University of Alberta, Edmonton, Alberta, Canada;
University of Minnesota, Minneapolis, MN; and
University of Ottawa, Ottawa, Canada.

The 13 EPCs under contract to the AHRQ produce science syntheses, evidence reports and technology assessments that provide public and private organizations the foundation for developing and implementing their own practice guidelines, performance measures, educational programs, and other strategies to improve the quality of health care and decision making. The evidence reports and technology assessments also may be used to inform coverage and reimbursement policies.

In 2003, the Legislature directed the Health Care Authority (HCA) to establish an evidence-based prescription drug program. The program includes an independent pharmacy and therapeutics committee and a contract with one of the 13 EPCs established by the federal government to conduct the scientific review of prescription drug classes for the State Preferred Drug List.

Also in 2003, the Legislature directed the HCA to coordinate state agency efforts to develop and implement uniform policies to ensure prudent, cost-effective health services purchasing, maximize administrative efficiencies, improve the quality of care provided, and reduce administrative burdens on health care providers. The polices include: (1) health technology assessment; (2) monitoring health outcomes; (3) developing a common definition of medical necessity; and (4) developing common strategies for disease management and demand management.

Summary of Engrossed Second Substitute Bill:

An Evidence-based Health Technology Assessment Program (Program) is established. It will conduct systematic reviews of scientific and medical literature, establish a statewide health technology clinical committee, and fund evidence-based health technology assessments. The Program will also develop methods and processes to track health outcomes and other data across state agencies and provide transparent access to the scientific basis of coverage

decisions and treatment guidelines. The health technology assessments may be performed at federally designated assessment centers or other appropriate entity. The membership of the clinical committee is specified, and members must disclose any conflicts of interest. Meetings of the clinical committee are subject to the Open Public Meetings Act. The Program does not apply to state purchased health care purchased through health carriers. Participating state agencies will comply with clinical committee recommendations, unless they violate federal law or regulations, or state law.

The number of technologies that may be reviewed in the first year of operations is limited to six, and in the second year to eight. The Health Technology Committee must make determinations consistent with decisions made by Medicare and by expert treatment guidelines, unless the Committee concludes that substantial evidence supports a contrary determination. Enrollees and clients of state purchased health care programs may serve on ad hoc advisory committees. An appeals process is established for patients, providers, and stakeholders to appeal determinations of the Health Technology Committee.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (Health Care) (In support) The state can become a better purchaser of health care if it uses an evidence-based approach to assessing technology.

(With concerns) The Program should not apply to prescription drugs. The language around the advisory committee is too vague. State agencies should have to comply with the recommendations of the clinical committee.

Testimony For: (Appropriations) This bill establishes a process to review medical technologies with outside experts and apply that knowledge across all the affected state agencies. We anticipate savings similar to the savings that have been realized on the prescription drug program. In time, we hope to be able to include these additional savings in our budget forecasts. Patients would retain their rights to appeal decisions, just as they have a right to do so now. While this is a good idea, we do not agree that medical evidence always applies to everyone. We would like to remove some of the absolute provisions, and make the appeals process uniform across the agencies that are affected. Most importantly, doctors should be allowed to provide treatments outside of guidelines when they view it as necessary - even though most of the time they will be appreciative of having the scientific evaluations to help them make treatment decisions.

(Concerns) The realm of cost containment concerns us as a possible route that might be used to reduce coverage provided to employees. We are concerned, and believe that the criteria that should be used be the effectiveness of the procedures, not the cost. The appeals process in the proposed bill needs to be more open and transparent, accessible to lay persons. But this is an interesting idea for a serious problem that the state faces. The bill may deny some patients

to life-saving technologies that are currently covered. We take exception to the requirement that agencies provide detailed reasons to reject the findings of the committee.

Testimony Against: (Health Care) None.

Testimony Against: (Appropriations) None.

Persons Testifying: (Health Care) (In support) Peter Dunbar, Washington State Medical Association; Dr. Steve Tarnoff and Karen Merrikin, Group Health Cooperative; Sean Sullivan, Scott Ramsey, and Jackie Der, University of Washington School of Medicine; Christina Hulet and Mark Rupp, Office of the Governor; Steve Hill, Health Care Authority; Jeff Thompson, Health and Recovery Services Association; Lauren Moughon, American Association of Retired Persons Washington; Cliff Finch, Washington Food Industry; Bill Daley, Washington Citizen Action; and Linda Hull, Washington Biotechnology & Biomedical Association.

(With concerns) Bill Struyk and Dr. Peter Juhn, Johnson & Johnson; Tom Tremble, Advanced Medical Technology Association; and Dennis Eagle, Washington Federation of State Employees.

Persons Testifying: (Appropriations) (In support) Susie Tracy, Washington State Medical Association; Nancy Fisher, Health Care Authority; and Christina Hulet, Office of the Governor.

(Concerns) Jim Hedrick, Advanced Medical Technology Association; and Dennis Eagle, Washington Federation of State Employees.

Persons Signed In To Testify But Not Testifying: (Health Care) None.

Persons Signed In To Testify But Not Testifying: (Appropriations) None.