
HOUSE BILL 2575

State of Washington

59th Legislature

2006 Regular Session

By Representatives Cody, Morrell and Moeller; by request of Governor Gregoire

Read first time 01/10/2006. Referred to Committee on Health Care.

1 AN ACT Relating to establishing a state health technology
2 assessment program; amending RCW 41.05.013; adding new sections to
3 chapter 70.14 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that a systematic
6 assessment of the best available scientific and medical evidence and
7 timely application of this evidence to informed coverage and medical
8 necessity decisions by state purchased health care programs should
9 result in improved access, prevention, and health outcomes for
10 Washington citizens. Therefore, it is the intent of the legislature to
11 support the establishment by the state of an evidence-based health
12 technology assessment program that:

13 (1) Conducts systematic reviews of scientific and medical
14 literature to identify safe, efficacious, and cost-effective
15 treatments;

16 (2) Provides for the establishment of a statewide health technology
17 clinical advisory committee;

18 (3) Provides for the establishment of an evidence-based health
19 technology assessment center;

1 (4) Develops methods and processes to track health outcomes across
2 state agencies; and

3 (5) Provides clear and transparent access to the scientific basis
4 of coverage decisions and treatment guidelines developed under this
5 program.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 70.14 RCW
7 to read as follows:

8 The definitions in this section apply throughout this chapter
9 unless the context clearly requires otherwise.

10 (1) "Best available scientific and medical evidence" means the best
11 available external clinical evidence derived from systematic research.

12 (2) "Coverage decision" means a determination regarding including
13 or excluding a health technology as a covered benefit, and if covered,
14 under what circumstances.

15 (3) "Health technology" means a medical device, surgical and other
16 procedures, medical equipment, diagnostic tests, and other health care
17 services.

18 (4) "Medical necessity decision" or "proper and necessary decision"
19 means a determination whether or not to provide reimbursement for a
20 covered health technology in a specific circumstance for an individual
21 patient who is eligible to receive health care services from the state
22 purchased health care program making the decision.

23 (5) "Treatment guideline" means an evidence-based set of explicit
24 clinical recommendations for the appropriate application and use of a
25 covered health technology for an individual circumstance, and developed
26 or adopted by the health technology assessment program.

27 NEW SECTION. **Sec. 3.** A new section is added to chapter 70.14 RCW
28 to read as follows:

29 (1) Each agency administering a state purchased health care program
30 as defined in RCW 41.05.011(2) shall, in cooperation with other
31 agencies, take action to prevent the application of health technologies
32 where scientific and medical evidence suggests little or no benefit or
33 possible harm, and to enhance the use of health technologies where
34 evidence suggests substantial benefits. To accomplish this purpose,
35 participating agencies may establish an evidence-based health
36 technology assessment program. The provisions of the health technology

1 assessment program do not apply to agency health technology decisions
2 that have not been reviewed by the health technology clinical advisory
3 committee and adopted by the agencies.

4 (2) In developing the evidence-based health technology assessment
5 program, agencies, to the extent permitted under federal and state law
6 governing each agency:

7 (a) Shall use the best available scientific and medical evidence to
8 make coverage and medical necessity decisions and shall develop the
9 resources necessary to collect and analyze the available scientific and
10 medical evidence regarding a medical technology under review, including
11 coordinating efforts with the evidence-based health technology
12 assessment center in section 4 of this act;

13 (b) Shall develop and implement uniform policies for a health
14 technology assessment as provided in RCW 41.05.013, including
15 development of common coverage decisions and treatment guidelines;

16 (c) May develop treatment guidelines to assist in the appropriate
17 application of medical necessity or proper and necessary decisions;

18 (d) May develop criteria for payment of health technologies under
19 reasonable exceptions, such as experimental or investigational
20 treatment or services under a clinical investigation approved by an
21 institutional review board;

22 (e) May track and share safety, health outcome, and cost data
23 related to use of health technologies to help inform health technology
24 decisions;

25 (f) For decisions related to the use of prescription drugs, shall
26 develop policies and decisions consistent with RCW 70.14.050; and

27 (g) Shall adopt rules as necessary to implement this section.

28 (3) The agencies shall establish a health technology clinical
29 advisory committee to make recommendations to the agencies regarding
30 this act, including the development of treatment guidelines as
31 appropriate.

32 (4) The agencies may develop methods to report cost and outcome
33 performance of the health technology assessment program.

34 (5) The agencies shall develop a centralized, web-based
35 communication tool that allows clear and transparent access to the
36 scientific basis of coverage decisions and treatment guidelines
37 developed under this program.

1 (6) The standard of medical necessity or proper and necessary shall
2 not apply to health technologies that are determined not to be covered
3 based on the best available scientific evidence.

4 (7) Appeals by persons or groups of an agency coverage decision or
5 a medical necessity or proper and necessary decision must demonstrate
6 that the decision is inconsistent with sound, evidence-based medical
7 practice.

8 NEW SECTION. **Sec. 4.** A new section is added to chapter 70.14 RCW
9 to read as follows:

10 (1) An evidence-based health technology assessment center is
11 established to:

12 (a) Conduct systematic reviews of the scientific literature
13 regarding safety, efficacy, and cost-effectiveness; and

14 (b) Assess the adequacy and quality of systematic reviews
15 undertaken by other national or internationally recognized health
16 technology assessment programs using systematic review methods
17 substantially similar to those developed by the health technology
18 assessment program.

19 (2) Completed or received health technology assessments must be
20 conducted in a timely manner and at the request of the health
21 technology assessment program.

22 (3) Requests for the conduct of a new health technology assessment
23 must be proposed according to explicit prioritization criteria
24 developed by the health technology assessment program.

25 NEW SECTION. **Sec. 5.** A new section is added to chapter 70.14 RCW
26 to read as follows:

27 In the conduct of systematic scientific reviews by the
28 evidence-based health technology assessment center, and in the conduct
29 of business by the health technology clinical advisory committee, the
30 health technology assessment program must ensure that conflicts of
31 interest regarding a specific health technology be minimized and fully
32 disclosed to the extent possible.

33 **Sec. 6.** RCW 41.05.013 and 2005 c 462 s 3 are each amended to read
34 as follows:

35 (1) The authority shall coordinate state agency efforts to develop

1 and implement uniform policies across state purchased health care
2 programs that will ensure prudent, cost-effective health services
3 purchasing, maximize efficiencies in administration of state purchased
4 health care programs, improve the quality of care provided through
5 state purchased health care programs, and reduce administrative burdens
6 on health care providers participating in state purchased health care
7 programs. The policies adopted should be based, to the extent
8 possible, upon the best available scientific and medical evidence and
9 shall endeavor to address:

10 (a) Methods of formal assessment, such as a health technology
11 assessment under sections 2 through 5 of this act. Consideration of
12 the best available scientific evidence does not preclude consideration
13 of experimental or investigational treatment or services under a
14 clinical investigation approved by an institutional review board;

15 (b) Monitoring of health outcomes, adverse events, quality, and
16 cost-effectiveness of health services;

17 (c) Development of a common definition of medical necessity; and

18 (d) Exploration of common strategies for disease management and
19 demand management programs, including asthma, diabetes, heart disease,
20 and similar common chronic diseases. Strategies to be explored include
21 individual asthma management plans. On January 1, 2007, and January 1,
22 2009, the authority shall issue a status report to the legislature
23 summarizing any results it attains in exploring and coordinating
24 strategies for asthma, diabetes, heart disease, and other chronic
25 diseases.

26 (2) The administrator may invite health care provider
27 organizations, carriers, other health care purchasers, and consumers to
28 participate in efforts undertaken under this section.

29 (3) For the purposes of this section "best available scientific and
30 medical evidence" means the best available external clinical evidence
31 derived from systematic research.

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