

ESSB 6333 - H COMM AMD

By Committee on Appropriations

ADOPTED AS AMENDED 03/07/2008

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that:

4 (1) In the past two decades, Washington state has implemented
5 legislative initiatives to improve access to quality, affordable health
6 care in the state. These initiatives, which placed Washington in the
7 forefront of states addressing their residents' health care needs,
8 include:

9 (a) The basic health plan providing affordable coverage to over one
10 hundred thousand individuals and families below two hundred percent of
11 the federal poverty level;

12 (b) The "cover all children" initiative, expanding publicly funded
13 coverage to children in families under three hundred percent of the
14 federal poverty level and promising to cover all children by 2010;

15 (c) The blue ribbon commission on health care costs and access
16 resulting in the passage of Engrossed Second Substitute Senate Bill No.
17 5930, that, among other actions, directed state agencies to integrate
18 prevention, chronic care management, and the medical home concept into
19 state purchased health care programs;

20 (d) The movement toward evidence-based health care purchasing for
21 state health care programs, including the prescription drug program and
22 its preferred drug list, the health technology assessment program, the
23 use of medical evidence to evaluate medical necessity under state
24 medical assistance programs and the direction provided in Engrossed
25 Second Substitute Senate Bill No. 5930 relating to aligning payment
26 with evidence-based care; and

27 (e) The development of patient safety initiatives, including health
28 care facility reporting of adverse medical events and hospital-acquired
29 infection reporting.

1 (2) Despite these initiatives, the cost of health care has
2 continued to increase at a disproportionately high rate.

3 (3) Affordability is key to accessing health care, as evidenced by
4 the fact that more than half of the uninsured people in Washington
5 state are in low-income families, and low-wage workers are far more
6 likely to be uninsured than those with higher incomes. These
7 increasing costs are placing quality care beyond the reach of a growing
8 number of Washington citizens and contributing to health care
9 expenditures that strain the resources of individuals, businesses, and
10 public programs.

11 (4) Efforts by public and private purchasers to control
12 expenditures, and the stress these efforts place on the stability of
13 the health care workforce and viability of health care facilities,
14 threaten to reduce access to quality care for all residents of the
15 state.

16 (5) Prompt action is crucial to prevent further deterioration of
17 the health and well-being of Washingtonians.

18 (6) Addressing an issue of this importance and magnitude demands
19 the full engagement of concerned Washingtonians in a reasoned
20 examination of options to improve access to quality, affordable health
21 care.

22 NEW SECTION. **Sec. 2.** The Washington citizens' work group on
23 health care reform is established.

24 (1) On or before January 30, 2009, the governor shall appoint nine
25 citizen members, who may include, but are not limited to,
26 representatives from business, labor, health care providers and
27 consumer groups, and persons with expertise in health care financing.
28 The citizen members shall be selected from individuals recognized for
29 their independent judgment. In addition, the majority and minority
30 caucus in the house of representatives and the majority and minority
31 caucus in the senate shall submit the names of two members of their
32 caucus to the governor, who shall select one member from each caucus to
33 participate in the work group.

34 (2) Staff support for the work group shall be provided by the
35 office of financial management. Consistent with funds appropriated
36 specifically for this purpose, two full-time staff shall be hired to

1 enable the work group to complete its responsibilities in a timely and
2 effective manner.

3 (3) The work group shall:

4 (a) Begin its deliberations by reviewing in detail the findings and
5 recommendations of the 2006 blue ribbon commission on health care costs
6 and access. The work group shall review all prior relevant studies
7 related to health care reform efforts in Washington state and consider
8 the recent health care reform experience of other states such as
9 Massachusetts, Wisconsin, and California;

10 (b) Engage Washingtonians in a public process on improving access
11 to quality, affordable health care, as described in subsection (4) of
12 this section;

13 (c) Review and develop recommendations to the governor and the
14 legislature related to the health care reform proposals in section 3 of
15 this act. In reviewing the proposals, the work group shall evaluate
16 the extent to which each proposal:

17 (i) Provides a medical home for every family;

18 (ii) Provides health care that Washington families can afford;

19 (iii) Promotes improved health outcomes, in part through a more
20 efficient delivery system;

21 (iv) Requires that individuals, employers, and government share in
22 financing the proposal; and

23 (v) Enables Washington families to choose their provider and health
24 network, and have the option of retaining their current provider.

25 (d) Through the activities outlined in this act, develop a careful
26 understanding of the essential requirements for health care reform as
27 seen by the many different primary stakeholders in Washington state.

28 (4) The work group shall design the public engagement process with
29 a goal of having structured, in-depth discussions related to:

30 (a) Trends or issues that affect affordability, access, quality,
31 and efficiency in our health care system; and

32 (b) The health care proposals described in section 3 of this act,
33 the principles guiding evaluation of the proposals, and the economic
34 analysis of the proposals.

35 The public engagement process may include, but is not limited to,
36 public forums, invitational meetings with community leaders or other
37 interested individuals and organizations, and web-based communication.

1 (5) By November 1, 2009, the work group shall submit a final report
2 to the public, the governor, and the legislature that includes a
3 summary of the information received during the public engagement
4 process, and a summary of the work group's conclusions, and
5 recommendations related to its review of the proposals, including
6 suggestions for the adoption of any health care proposal by the
7 legislature. The work group may develop its own recommended proposal or
8 proposals.

9 (6) The work group may seek other funds including private
10 contributions and in-kind donations for activities described under this
11 section.

12 This section expires December 31, 2009.

13 NEW SECTION. **Sec. 3.** (1) Consistent with funds appropriated
14 specifically for this purpose, the legislature shall contract with an
15 independent consultant with expertise in health economics and actuarial
16 science to evaluate the following health care reform proposals:

17 (a) A proposal that modifies insurance regulations in Washington
18 state to address specific groups that have lower rates of coverage,
19 such as small employers and young adults. The proposal would authorize
20 the offering of health plans that do not include mandated benefits,
21 allow health plan premiums to be adjusted to reflect the health status
22 and experience of the members of the group purchasing coverage, allow
23 carriers to pool the health risk of young adults separately from other
24 enrollees, and promote the use of high deductible health plans with
25 accompanying health savings accounts;

26 (b) A proposal that includes the components of health care reform
27 legislation enacted in Massachusetts in 2006 as Chapter 58 of the Acts
28 of 2006 - "An Act Providing Access to Affordable, Quality, Accountable
29 Health Care." The proposal assumes the inclusion of health plan design
30 features that encourage the use of preventive, primary care and
31 evidence-based services;

32 (c) A proposal to cover all Washingtonians with a comprehensive,
33 standardized benefit package. An independent entity would be
34 established to define the scope of the standardized benefit package,
35 and to undertake a competitive procurement process to offer the package
36 through private health carriers or health care provider networks, with
37 an additional fee-for-service option. The standardized benefit package

1 would be designed to include features that encourage the use of
2 preventive, primary care and evidence-based health services.
3 Washingtonians would purchase the standardized benefit package through
4 the independent entity by choosing a participating carrier, network, or
5 the fee-for-service option; and

6 (d) A proposal to establish a single payer health care system,
7 similar to the health care system in Canada in which a governmental
8 entity contracts with and pays health care providers to deliver a
9 defined package of health services to all Washingtonians.

10 (2) In addition to the evaluation of the four proposals described
11 in subsection (1) of this section, the consultant shall conduct a
12 review to validate the actuarial analysis of the insurance
13 commissioner's proposed guaranteed benefit plan prepared in 2008 at the
14 request of the insurance commissioner.

15 (3) Each evaluation shall address the impact of implementation of
16 the proposal on:

17 (a) The number of Washingtonians covered and number remaining
18 uninsured;

19 (b) The scope of coverage available to persons covered under the
20 proposal;

21 (c) The impact on affordability of health care to individuals,
22 businesses, and government;

23 (d) The redistribution of amounts currently spent by individuals,
24 businesses, and government on health, as well as any savings;

25 (e) The cost of health care as experienced throughout the state by
26 individuals and families, employees of small and large businesses,
27 businesses of all sizes, associations, local governments, public health
28 districts, and by the state;

29 (f) The impact on employment;

30 (g) The impact on consumer choice;

31 (h) Administrative efficiencies and resulting savings;

32 (i) The impact on hospital charity care; and

33 (j) The extent to which each proposal promotes:

34 (i) Improved health outcomes;

35 (ii) Prevention and early intervention;

36 (iii) Chronic care management;

37 (iv) Services based on empirical evidence;

38 (v) Incentives to use effective and necessary services;

1 (vi) Disincentives to discourage use of marginally effective or
2 inappropriate services; and

3 (vii) A medical home.

4 (4) To the extent that any proposal has recent, detailed analysis
5 available, the consultant shall review and may make use of the
6 available analysis.

7 (5) The results of the evaluation under this section shall be
8 submitted to the governor, the health policy committees of the
9 legislature, and the work group on or before December 15, 2008.

10 NEW SECTION. **Sec. 4.** If specific funding for the purposes of this
11 act, referencing this act by bill or chapter number, is not provided by
12 June 30, 2008, in the omnibus appropriations act, this act is null and
13 void."

14 Correct the title.

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