

FINAL BILL REPORT

E2SSB 5930

PARTIAL VETO

C 259 L 07

Synopsis as Enacted

Brief Description: Providing high quality, affordable health care to Washingtonians based on the recommendations of the blue ribbon commission on health care costs and access.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Keiser, Kohl-Welles, Shin and Rasmussen; by request of Governor Gregoire).

Senate Committee on Health & Long-Term Care

Senate Committee on Ways & Means

House Committee on Health Care & Wellness

House Committee on Appropriations

Background: The 2006 Legislature established the Blue Ribbon Commission on Health Care Costs and Access and charged it with delivering a five-year plan for substantially improving access to affordable health care for all Washingtonians. The commission was co-chaired by Governor Gregoire and Senator Thibaudeau, and included 12 other legislative and state agency leaders. The commission met throughout the interim, and issued their recommendations in January 2007.

The recommendations encompass 16 main topic areas, with multiple action steps for each area. In brief, they are: use state purchasing to improve health care quality; become a leader in the prevention and management of chronic illness; provide cost and quality information for consumers and providers; deliver on the promise of health information technology; reduce unnecessary emergency room visits; reduce health care administrative costs; support community organizations that promote cost-effective care; give individuals and families more choice in selecting private insurance plans that work for them; partner with the federal government to improve coverage; organize the insurance market to make it more accessible to consumers; address the affordability of coverage for high-cost individuals; ensure the health of the next generation by linking insurance coverage with policies that improve children's health; initiate strategies to improve childhood nutrition and physical activity; pilot a health literacy program for parents and children; strengthen the public health system; and integrate prevention and health promotion into state health programs.

Summary: A wide variety of projects are initiated around health care quality, cost, and access, as follows.

Reimbursement Changes: The Department of Social and Health Services (DSHS) and the Health Care Authority (HCA) must develop a five-year plan by September 1, 2007, to change reimbursement to reward quality, incorporate evidence-based standards, direct enrollees to quality care systems, and develop reimbursement approaches that encourage primary care, and for telemedicine and other approaches that reduce the overall cost of care.

Patient Decision Aids: HCA must implement a shared decision making demonstration project at one or more multi-speciality practice sites providing state purchased health care. The project will incorporate decision aids for at least one preference-sensitive care area, and include an evaluation of the impact of using shared decision making.

Chronic Care Projects: DSHS must design and implement medical homes for their aged, blind, and disabled clients in conjunction with chronic care management programs, and evaluate chronic care management efforts for the medical and long-term care programs. Department of Health (DOH) will provide training and technical assistance for providers regarding care of people with chronic conditions. The HCA must design and implement a chronic care management program for state employees enrolled in the state's self-insured plan.

Quality Forum: The Washington State Quality Forum (Forum) is created within HCA to collect research and health care quality data to promote best practices and evidence-based medicine, in collaboration with the Puget Sound Health Alliance. DOH must report adverse events that occur in a hospital to the Forum to assist in its research on health care quality, evidence-based medicine, and patient safety. The Forum will report to the Legislature annually, beginning September 2007.

Health Technology and Information Projects: HCA must design a consumer-centric health information infrastructure with a health record bank, and implement pilot sites that promote electronic medical records and health information exchange, as funding allows. Access to the University of Washington Health Sciences Library is expanded for health professionals, with an increase to the licensing fees of up to \$25 annually. Nurse license fees will also support a central nursing resource center, until June 30, 2013.

Appropriate Care Settings: HCA and DSHS will report on unnecessary emergency room use by December 1, 2007, and partner with community organizations to develop reimbursement incentives and a pilot demonstration to reduce unnecessary emergency room visits. As sufficient funding is available, the departments will provide enrollees with access to a 24 hour, seven day a week nurse hotline, and explore use of the 211 phone system.

Administrative Efficiency: The Office of Insurance Commissioner (OIC) must report on opportunities to reduce key health care administrative costs by December 1, 2007.

Coverage for Young Adults: All insurance carriers and the state employee programs must offer enrollees an opportunity to extend coverage for unmarried dependents up to age 25, effective January 1, 2009.

Public Coverage and Sustainability: DSHS must work with the federal government to explore opportunities to use waivers and state plan amendments to expand medical coverage in Medicaid and Basic Health and leverage all available funding, exploring alternative benefit designs, including the possibility for a health opportunity account demonstration for the transitional medical assistance program. DSHS must explore expanded enrollment in employer-sponsored insurance premium assistance for public enrollees, including the state's Children's Health Insurance Program (CHIP). DSHS & HCA must ensure enrollees are not simultaneously enrolled in the medical assistance program or CHIP, and the Basic Health program to provide coverage for the maximum number of people.

The Office of Financial Management (OFM), in collaboration with OIC, must evaluate options for a reinsurance program for the individual and small group insurance markets, and evaluate whether the Washington State Health Insurance Pool (WSHIP) should be retained. Evaluation efforts will be linked to other small group design efforts in the Health Insurance Partnership (Partnership) program created by E2SHB 1569. An interim report is due December 1, 2007, and a final report is due September 1, 2008.

Foster parents with incomes up to 300 percent of the federal poverty level are eligible for Basic Health coverage with a reduced premium. DOH may continue collecting \$3.50 for new born screening fees that are set to expire June 30, 2007. Medical services provided for jail inmates will be the responsibility of the unit of government that initiated the charges.

A nine-member health insurance partnership board (Board) is established to develop policies for enrollment in the newly formed Partnership program. The Board will designate health benefit plans offered in the small group market that will qualify for a premium assistance subsidy for the low-income enrollees; determine whether there should be a minimum employer premium contribution; examine health benefit plan rating methodologies within the context of the Partnership; conduct analyses and provide recommendations as requested by the Governor and the Legislature; and authorize one or more limited health care service plans for dental care services.

High Risk Pool Changes: Modifications are made to WSHIP including modifications to benefit limits to reflect inflationary changes, and an increase in the lifetime maximum to \$2 million to be effective immediately. All policies offered through WSHIP will be cancelled before December 31, 2007, and replaced with identical policies that allow for a guarantee of the continuity of coverage. Future policies can be replaced but must include the services covered under the replaced plan. Age restrictions for premium assistance for low-income enrollees are removed.

By December 1, 2007, the WSHIP Board must have an analysis of eligibility completed that will review eligibility for Medicaid enrollees, other publicly sponsored enrollees, and an assessment of the 8 percent eligibility threshold used for screening people out of the individual market and into the high risk pool. The standardized screening questionnaire used for the individual market and high risk pool will be required for individuals applying for nonsubsidized Basic Health, and additional groups with creditable coverage, such as federal government or church sponsored coverage, will not be required to complete the screen. The enrollment limit linked to 2003 enrollment levels for Evergreen Health Insurance Program enrollees is removed. Immunity protections are provided for WSHIP employees and members of the Board.

Wellness Programs: DSHS, HCA, DOH, and the Department of Labor and Industries (L&I), must develop a five-year plan by September 1, 2007, to integrate disease and accident prevention and health promotion into all state health programs. HCA must implement employee wellness demonstration projects and evaluations of the projects, with reports to the Legislature December 2008 and December 2010.

Prescription Safety: When sufficient funding is available, DOH will implement a prescription drug monitoring program to monitor the prescribing and dispensing of all schedule II, III, IV, and V controlled substances. The program will be designed to improve quality and

effectiveness by reducing abuse of controlled substances; reducing duplicative prescribing and over-prescribing of controlled substances; and improving prescribing practices, with the goal of creating an electronic database available in real time for all dispensers and prescribers of controlled substances. As funding becomes available, HCA will conduct a feasibility study to consider expansions for the program.

Strategic Health Planning: OFM must coordinate a state health planning process to create the statewide health resources strategy that will guide the certificate of need process. The first strategy is due January 1, 2010, and must be updated every two years.

Public Health Accountability: Outcome goals are established for any additional appropriations that may be provided for local health jurisdictions. By January 1, 2008, DOH must adopt a prioritized list of activities and services that qualify as core public health functions of statewide significance, and adopt performance measures for local health jurisdictions. Beginning November 15, 2009, DOH must report to the Legislature annually on the distribution of funds related to these functions and any impact the funding has had on local health performance and health status indicators.

Votes on Final Passage:

Senate	48	0	
House	61	34	(House amended)
Senate			(Senate refused to concur)

Conference Committee

House	63	35
Senate	31	17

Effective: May 2, 2007 (Section 30)
July 22, 2007
January 1, 2009 (Sections 18-22)

Partial Veto Summary: The Governor vetoed sections 59 and 74. The nine-member health insurance partnership board (Board) was vetoed in favor of the seven-member Board created in E2SHB 1569, and the July 1 effective date for the Board was removed.