
SUBSTITUTE HOUSE BILL 2549

State of Washington 60th Legislature 2008 Regular Session

By House Health Care & Wellness (originally sponsored by Representatives Seaquist, Lantz, Morrell, Lias, Barlow, and Green)

READ FIRST TIME 01/28/08.

1 AN ACT Relating to establishing patient-centered primary care pilot
2 projects; creating new sections; and providing an expiration date.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that our primary care
5 system is severely faltering and the number of people choosing primary
6 care as a profession is decreasing dramatically. Primary care
7 providers include family medicine and general internal medicine
8 physicians, pediatricians, naturopathic physicians, advanced registered
9 nurse practitioners and physician assistants. A strong primary care
10 system has been shown to improve health outcomes and quality and to
11 reduce overall health system costs. To improve the health and well-
12 being of the people in the state of Washington, enhance the
13 recruitment, retention, performance, and satisfaction of primary
14 providers, our primary care system needs to be restructured, improved,
15 and supported.

16 The legislature further finds that a patient-centered approach that
17 can manage chronic diseases, address acute illnesses and provide
18 effective prevention needs to be in place and the medical home may best
19 accomplish this goal. It is a place where health care is accessible,

1 compassionate, and built on evidence-based strategies with a team
2 approach. Each patient receives medically necessary acute, chronic,
3 prevention, and wellness services as well as other medically
4 appropriate dental and behavioral services and other community support
5 services, all which are tailored to the individual needs of the
6 patient. Development and maintenance of medical homes require changes
7 in how primary care providers with medical homes are reimbursed. There
8 is a critical need to identify reimbursement strategies to
9 appropriately finance this delivery of care model.

10 NEW SECTION. **Sec. 2.** (1) Within funds appropriated for this
11 purpose, the health care authority shall develop a pilot project
12 program to provide funding and technical assistance to primary care
13 providers, in practices with six or fewer providers, willing and able
14 to adopt and maintain medical home models, as defined by the department
15 of social and health services in its November 2007 report to the
16 legislature concerning implementation of Second Substitute Senate Bill
17 No. 5093 (chapter 5, Laws of 2007). The health care authority shall
18 seek input on the program development from experts and interested
19 stakeholders such as the Washington coalition for primary care.

20 (2) The program shall be structured to allow adoption of medical
21 homes in a variety of primary care practice settings throughout the
22 state and consider differing populations, geographic locations, and
23 other factors to allow for a broad testing of medical home adoption,
24 including but not limited to rural communities and areas that are
25 medically underserved. The program shall include consultation to
26 assist primary care practices to improve office workflow and other
27 technical assistance necessary to help assure adoption and use of the
28 latest techniques in effective and cost-efficient, patient-centered
29 integrated health care. Selected pilot project sites must agree to
30 submit valid measures using patient input and health outcome measures,
31 as required by the health care authority, to determine progress and
32 success and inform the understanding of best practices. The health
33 care authority shall consult with the Puget Sound health alliance when
34 selecting specific measures to be used by pilot project sites.

35 (3) The program shall provide financial incentives to attract
36 primary care providers into primary care in the form of signing bonuses
37 or other incentives for pilot project sites selected under subsection

1 (2) of this section and, on a case-by-case basis, determine whether a
2 particular site needs financial assistance to attract a new primary
3 care provider. The health care authority shall determine the amount of
4 bonuses as seems appropriate for type of provider, location of pilot,
5 and other relevant factors. It may also establish participation
6 requirements for those primary care providers accepting signing
7 bonuses.

8 (4) The program shall provide start-up funding for adoption of
9 health information technology models that have shown promise and can
10 support medical homes. Funding shall be available to approved selected
11 pilot project sites under subsection (2) of this section when such
12 sites also seek to incorporate health information technology into their
13 practice. These efforts shall be coordinated with the Washington
14 health information collaborative, the health information infrastructure
15 advisory board, and other efforts directed by RCW 41.05.035.

16 (5) The health care authority may issue competitive contracts with
17 public and private entities to assist in implementation and technical
18 assistance provision to pilot project sites authorized under this act.

19 (6) The health care authority shall issue a report to the health
20 care committees of legislature on the progress and outcome of the pilot
21 project program. The report shall include, but not be limited to: (a)
22 Effectiveness of grant funding and technical assistance in promoting
23 medical homes and health information technology; (b) identification of
24 best practices; an assessment of how the pilot sites have affected
25 health outcomes, quality of care, utilization of services, cost-
26 efficiencies, and patient satisfaction; (c) a comparison of outcomes,
27 service utilization, cost, and patient satisfaction with a sample
28 population of enrollees in the state's uniform medical plan who do not
29 receive services at a pilot site location; (d) an assessment of how the
30 pilots improve primary care provider satisfaction and recruitment and
31 retention; and (e) any additional legislative action that would promote
32 medical home adoption in primary care settings. A progress report
33 shall be developed by January 1, 2009, with the final report due to the
34 legislature by December 31, 2011.

35 NEW SECTION. **Sec. 3.** (1) To better understand the current primary
36 care landscape and future needs for primary care providers, the office
37 of financial management shall conduct a study in collaboration with the

1 health care authority, the department of health, department of social
2 and health services medical assistance, the state workforce training
3 and education coordinating board, and interested stakeholders such as
4 the Washington coalition for primary care.

5 (2) The study shall identify existing data sources, and pursue data
6 collection and analysis to: (a) Evaluate the current supply and scope
7 of service of primary care providers in the state, (b) identify current
8 practices that use a medical home model as defined by the department of
9 social and health services in its November 2007 report to the
10 legislature concerning implementation of Second Substitute Senate Bill
11 No. 5093 (chapter 5, Laws of 2007), (c) project the provider supply
12 necessary for a robust primary care system through medical homes, (d)
13 identify the barriers and opportunities to increasing use of the
14 medical home model, and (e) quantify the value of primary care and
15 medical homes as a cost-efficient means of improving health outcomes,
16 quality, and patient satisfaction. A report of the study's findings
17 shall be made to the health care committees of the legislature by July
18 1, 2009.

19 (3) As part of the five-year plan to change reimbursement required
20 under section 1 of Engrossed Second Substitute Senate Bill No. 5930
21 (chapter 259, Laws of 2007), the health care authority and department
22 of social and health services shall expand its assessment on changing
23 reimbursement for primary care to support adoption of medical homes to
24 include medicare, other federal and state payors, and third-party
25 payors, including health carriers under Title 48 RCW and other self-
26 funded payors. The health care authority shall also collaborate with
27 the Puget Sound health alliance, should that organization pursue a
28 project on medical home reimbursement. The goal of the collaboration
29 is to identify appropriate medical home reimbursement strategies and
30 provider performance measurements across all payors, and to garner
31 support among payors to adopt payment strategies that support medical
32 home adoption and use. The health care authority shall report its
33 findings to the health care committees of the legislature with its
34 findings by January 1, 2009, with a recommended timeline for adoption
35 of payment and provider performance strategies and recommended
36 legislative changes should legislative action be necessary.

1 NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act expire on
2 December 31, 2011.

3 NEW SECTION. **Sec. 5.** If specific funding for the purposes of this
4 act, referencing this act by bill or chapter number, is not provided by
5 June 30, 2008, in the omnibus appropriations act, this act is null and
6 void.

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