

2SSB 5945 - H COMM AMD

By Committee on Health & Human Services Appropriations

ADOPTED AS AMENDED 04/16/2009

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

3 "NEW SECTION. **Sec. 1.** The legislature finds that the principles
4 for health care reform articulated by President Obama in his proposed
5 federal fiscal year 2010 budget to the congress of the United States
6 provide an opportunity for the state of Washington to be both a partner
7 with, and a model for, the federal government in its health care reform
8 efforts.

9 NEW SECTION. **Sec. 2.** (1) The following principles shall provide
10 guidance to the state of Washington in its health care reform
11 deliberations:

12 (a) Guarantee choice. Provide Americans a choice of health plans
13 and physicians. People will be allowed to keep their own doctor and
14 their employer-based health plan.

15 (b) Make health coverage affordable. Reduce waste and fraud, high
16 administrative costs, unnecessary tests and services, and other
17 inefficiencies that drive up costs with no added health benefits.

18 (c) Protect families' financial health. Reduce the growing
19 premiums and other costs American citizens and businesses pay for
20 health care. People must be protected from bankruptcy due to
21 catastrophic illness.

22 (d) Invest in prevention and wellness. Invest in public health
23 measures proven to reduce cost drivers in our system, such as obesity,
24 sedentary lifestyles, and smoking, as well as guarantee access to
25 proven preventive treatments.

26 (e) Provide portability of coverage. People should not be locked
27 into their job just to secure health coverage, and no American should
28 be denied coverage because of preexisting conditions.

1 (f) Aim for universality. Building on the work of the blue ribbon
2 commission and other state health care reform initiatives and
3 recognizing the current economic climate, the state will partner with
4 national health care reform efforts toward a goal of enabling all
5 Washingtonians to have access to affordable, effective health care by
6 2014 as economic conditions and national reforms indicate.

7 (g) Improve patient safety and quality care. Ensure the
8 implementation of proven patient safety measures and provide incentives
9 for changes in the delivery system to reduce unnecessary variability in
10 patient care. Support the widespread use of health information
11 technology with rigorous privacy protections and the development of
12 data on the effectiveness of medical interventions to improve the
13 quality of care delivered.

14 (h) Maintain long-term fiscal sustainability. Any reform plan must
15 pay for itself by reducing the level of cost growth, improving
16 productivity, and dedicating additional sources of revenue.

17 (2) Over the past twenty years, both the private and public health
18 care sectors in the state of Washington have implemented policies that
19 are consistent with the principles in subsection (1) of this section.
20 Most recently, the governor's blue ribbon commission on health reform
21 agreed to recommendations that are highly consistent with those
22 principles. Current policies in Washington state in accord with those
23 principles include:

24 (a) With respect to aiming for universality and access to a choice
25 of affordable health care plans and health care providers:

26 (i) The Washington basic health plan offers affordable health
27 coverage to low-income families and individuals in Washington state
28 through a choice of private managed health care plans and health care
29 providers;

30 (ii) Apple health for kids will achieve its dual goals that every
31 child in Washington state have health care coverage by 2010 and that
32 the health status of children in Washington state be improved. Only
33 four percent of children in Washington state lack health insurance, due
34 largely to efforts to expand coverage that began in 1993;

35 (iii) Through the health insurance partnership program, Washington
36 state has designed the infrastructure for a health insurance exchange
37 for small employers that would give employers and employees a choice of

1 private health benefit plans and health care providers, offer
2 portability of coverage and provide a mechanism to offer premium
3 subsidies to low-wage employees of these employers;

4 (iv) Purchasers, insurance carriers, and health care providers are
5 working together to significantly reduce health care administrative
6 costs. These efforts have already produced efficiencies, and will
7 continue through the activities provided in Substitute House Bill No.
8 1647 and Second Substitute Senate Bill No. 5346, if enacted by the 2009
9 legislature; and

10 (v) Over one hundred thousand Washingtonians have enrolled in the
11 state's discount prescription drug card program, saving consumers over
12 six million dollars in prescription drug costs since February 2007,
13 with an average discount of twenty-two dollars or forty-three percent
14 of the price of each prescription filled.

15 (b) With respect to improving patient safety and quality of care
16 and investing in prevention and wellness, the public and private health
17 care sectors are engaged in numerous nationally recognized efforts:

18 (i) The Puget Sound health alliance is a national leader in
19 identifying evidence-based health care practices, and reporting to the
20 public on health care provider performance with respect to these
21 practices. Many of these practices address disease prevention and
22 management of chronic illness;

23 (ii) The Washington state health technology assessment program and
24 prescription drug program use medical evidence and independent clinical
25 advisors to guide the purchasing of clinically and cost-effective
26 health care services by state-purchased health care programs;

27 (iii) Washington state's health record bank pilot projects are
28 testing a new model of patient controlled electronic health records in
29 three geographic regions of the state. The state has also provided
30 grants to a number of small provider practices to help them implement
31 electronic health records;

32 (iv) Efforts are underway to ensure that the people of Washington
33 state have a medical home, with primary care providers able to
34 understand their needs, meet their care needs effectively, better
35 manage their chronic illnesses, and coordinate their care across the
36 health care system. These efforts include group health cooperative of
37 Puget Sound's medical home projects, care collaboratives sponsored by
38 the state department of health, state agency chronic care management

1 pilot projects; development of apple health for kids health improvement
2 measures as indicators of children having a medical home, and
3 implementation of medical home reimbursement pilot projects under
4 Substitute Senate Bill No. 5891 and Second Substitute House Bill No.
5 2114, if enacted by the 2009 legislature; and

6 (v) Health care providers, purchasers, the state, and private
7 quality improvement organizations are partnering to undertake numerous
8 patient safety efforts, including hospital and ambulatory surgery
9 center adverse events reporting, with root cause analysis to identify
10 actions to be undertaken to prevent further adverse events; reporting
11 of hospital acquired infections and undertaking efforts to reduce the
12 rate of these infections; developing a surgical care outcomes
13 assessment program that includes a presurgery checklist to reduce
14 medical errors, and developing a patient decision aid pilot to more
15 fully inform patients of the risks and benefits of treatment
16 alternatives, decrease unnecessary procedures and variation in care,
17 and provide increased legal protection to physicians whose patients use
18 a patient decision aid to provide informed consent.

19 NEW SECTION. **Sec. 3.** (1) Beginning October 1, 2009, the governor
20 shall convene quarterly meetings of the Washington health partnership
21 advisory group. The advisory group will review progress and provide
22 input related to further actions that can be taken in both the public
23 and private sectors to implement the principles stated in section 2 of
24 this act and the findings of the governor's blue ribbon commission on
25 health reform. The membership of the advisory group shall include:

26 (a) Two members of the house of representatives and two members of
27 the senate, representing the majority and minority caucuses of each
28 body;

29 (b) The insurance commissioner;

30 (c) The secretary of the department of social and health services,
31 the administrator of the health care authority, the director of the
32 department of labor and industries, and the director of the office of
33 financial management;

34 (d) Members of the forum, the Puget Sound health alliance, national
35 federation of independent business, and the healthy Washington
36 coalition, who will ensure that the perspectives of large and small

1 employers, providers, health carriers, labor organizations, and
2 consumers are actively involved in the group.

3 (2) The advisory group shall monitor the status and outcomes of
4 activities at the state level with respect to their impact on access to
5 affordable health care, cost containment and quality of care including,
6 but not limited to:

7 (a) The programs and efforts described in section 2(2) of this act;

8 (b) Medicaid waivers submitted under sections 4 and 5 of this act;
9 and

10 (c) Efforts to consolidate state health purchasing and streamline
11 administration of the purchasing.

12 (3) The advisory group shall monitor the progress of health care
13 reform legislation at the federal level, with the goal of aligning
14 state health care activities so that the state is poised to participate
15 in federal health care reform. If federal legislation is enacted that
16 offers states the opportunity to undertake health care reform
17 demonstration efforts, the governor, with the advice of the group
18 established under this section, should actively seek to participate as
19 a demonstration site.

20 (4) In its deliberations, the advisory group shall consider recent
21 reports that have analyzed various health care reform proposals in
22 Washington state.

23 (5) Members of the advisory group shall not be reimbursed for
24 travel and per diem related to activities of the advisory group.

25 (6) The advisory group expires June 30, 2010.

26 NEW SECTION. **Sec. 4.** (1) The department shall submit a section
27 1115 demonstration waiver request to the federal department of health
28 and human services to expand and revise the medical assistance program
29 as codified in Title XIX of the federal social security act. The
30 waiver request should be designed to ensure the broadest federal
31 financial participation under Title XIX and XXI of the federal social
32 security act. To the extent permitted under federal law, the waiver
33 request should include the following components:

34 (a) Establishment of a single eligibility standard for low-income
35 persons, including expansion of categorical eligibility to include
36 childless adults. The department shall request that the single
37 eligibility standard be phased in such that incremental steps are taken

1 to cover additional low-income parents and individuals over time, with
2 the goal of offering coverage to persons with household income at or
3 below two hundred percent of the federal poverty level;

4 (b) Establishment of a single seamless application and eligibility
5 determination system for all state low-income medical programs included
6 in the waiver. Applications may be electronic and may include an
7 electronic signature for verification and authentication. Eligibility
8 determinations should maximize federal financing where possible;

9 (c) The delivery of all low-income coverage programs as a single
10 program, with a common core benefit package that may be similar to the
11 basic health benefit package or an alternative benefit package approved
12 by the secretary of the federal department of health and human
13 services, including the option of supplemental coverage for select
14 categorical groups, such as children, and individuals who are aged,
15 blind, and disabled;

16 (d) A program design to include creative and innovative approaches
17 such as: Coverage for preventive services with incentives to use
18 appropriate preventive care; enhanced medical home reimbursement and
19 bundled payment methodologies; cost-sharing options; use of care
20 management and care coordination programs to improve coordination of
21 medical and behavioral health services; application of an innovative
22 predictive risk model to better target care management services; and
23 mandatory enrollment in managed care, as may be necessary;

24 (e) The ability to impose enrollment limits or benefit design
25 changes for eligibility groups that were not eligible under the Title
26 XIX state plan in effect on the date of submission of the waiver
27 application;

28 (f) A premium assistance program whereby employers can participate
29 in coverage options for employees and dependents of employees otherwise
30 eligible under the waiver. The waiver should make every effort to
31 maximize enrollment in employer-sponsored health insurance when it is
32 cost-effective for the state to do so, and the purchase is consistent
33 with the requirements of Titles XIX and XXI of the federal social
34 security act. To the extent allowable under federal law, the
35 department shall require enrollment in available employer-sponsored
36 coverage as a condition of eligibility for coverage under the waiver;
37 and

1 (g) The ability to share savings that might accrue to the federal
2 medicare program, Title XVIII of the federal social security act, from
3 improved care management for persons who are eligible for both medicare
4 and medicaid. Through the waiver application process, the department
5 shall determine whether the state could serve, directly or by contract,
6 as a medicare special needs plan for persons eligible for both medicare
7 and medicaid.

8 (2) The department shall hold ongoing stakeholder discussions as it
9 is developing the waiver request, and provide opportunities for public
10 review and comment as the request is being developed.

11 (3) The department and the health care authority shall identify
12 statutory changes that may be necessary to ensure successful and timely
13 implementation of the waiver request as submitted to the federal
14 department of health and human services as the apple health program for
15 adults.

16 (4) The legislature must authorize implementation of any waiver
17 approved by the federal department of health and human services under
18 this section.

19 NEW SECTION. **Sec. 5.** (1) The department shall continue to submit
20 applications for the family planning waiver program.

21 (2) The department shall submit a request to the federal department
22 of health and human services to amend the current family planning
23 waiver program as follows:

24 (a) Provide coverage for sexually transmitted disease testing and
25 treatment;

26 (b) Return to the eligibility standards used in 2005 including, but
27 not limited to, citizenship determination based on declaration or
28 matching with federal social security databases, insurance eligibility
29 standards comparable to 2005, and confidential service availability for
30 minors and survivors of domestic and sexual violence; and

31 (c) Within available funds, increase income eligibility to two
32 hundred fifty percent of the federal poverty level, to correspond with
33 income eligibility for publicly funded maternity care services.

34 NEW SECTION. **Sec. 6.** Sections 2 and 3 of this act are each added
35 to chapter 43.06 RCW.

1 NEW SECTION. **Sec. 7.** Sections 4 and 5 of this act are each added
2 to chapter 74.09 RCW."

3 Correct the title.

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