
Health Care & Wellness Committee

SSB 5394

Brief Description: Concerning primary care health homes and chronic care management.

Sponsors: Senate Committee on Health & Long-Term Care (originally sponsored by Senators Keiser, Becker, Pflug, Conway, Kline and Parlette).

Brief Summary of Substitute Bill

- Requires the Department of Social and Health Services and the Health Care Authority to incorporate health homes and chronic care management incentives into their managed care contracts.

Hearing Date: 3/10/11

Staff: Chris Blake (786-7392).

Background:

Legislation passed in 2008 directed the Department of Health (DOH) to create a medical home learning collaborative to support the adoption of medical homes in a variety of primary care practice settings. The same legislation directed the Health Care Authority (HCA) and the Department of Social and Health Services (DSHS) to assess opportunities for changing payment practices in ways that would better support development and maintenance of primary care medical homes. The three agencies jointly submitted a report on their efforts December 31, 2008. Legislation passed in 2009 directed the HCA and DSHS to design and implement one or more primary care medical home reimbursement pilot projects.

The federal Patient Protection and Affordable Care Act authorizes states to pay for health home services provided to Medicaid patients with chronic conditions. Chronic conditions are to be defined by the federal Department of Health and Human Services and include a mental health condition, substance abuse disorder, asthma, diabetes, heart disease, and being overweight. Payments for health home services may be made to a designated provider, a team of health care providers operating with that provider, or a health team on a per-member per-month basis or

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another methodology proposed by the state and approved by the federal Department of Health and Human Services. During the first eight quarters that the state plan amendment is in effect, the federal matching rate for health home payments is 90 percent.

Summary of Bill:

Health Homes and Chronic Care Management Terminology.

A "health home" is defined as coordinated health care provided by a primary care provider who coordinates medical care services and a multidisciplinary health care team. Primary care providers include general practice physicians, family practitioners, internists, pediatricians, osteopaths, naturopathic physicians, and advanced registered nurse practitioners. The multidisciplinary health team includes medical specialists, nurses, pharmacists, nutritionists, dietitians, social workers, behavioral and mental health providers, doctors of chiropractic, physical therapists, physician assistants, and complementary and alternative medicine practitioners.

Health home services must include: comprehensive care management; extended hours of service; multiple ways for the patient to communicate with the health care team; patient education regarding self-care, prevention, and health promotion; coordinated transitions between health care settings; individual and family support; the use of information technology for coordination and clinical data; and performance reporting and quality improvement.

"Chronic care management" is defined as health care management within a health home for people with one or more chronic conditions or who are at high risk for chronic conditions. Chronic conditions are prolonged conditions such as a mental health condition, a substance abuse disorder, asthma, diabetes, heart disease, and being overweight. Effective chronic care management is stated to include assistance to patients in obtaining self-care skills to slow the progression of the disease, evidence-based clinical practices, coordinated care across health care settings, ready access to behavioral health services that are integrated with primary care, and usage of community resources to support patients and families.

State-Purchased Health Care Contracts.

The Department of Social and Health Services (DSHS) and the Health Care Authority (HCA) are instructed to incorporate health home and chronic care management incentives into the managed care programs and certain other plans that they operate. Contracts for Medicaid managed care programs, the Basic Health Plan program, and managed care and self-insured plans administered by the Public Employee Benefits Board must include:

- provider reimbursement methods that incentivize chronic care management within health homes;
- provider reimbursement methods that reward health homes that reduce emergency department and inpatient use through chronic care management; and
- the promotion of provider participation in the Department of Health's program of training and technical assistance regarding care for people with chronic conditions.

Contracts that include health homes and chronic care management models must not cost more than they would have without these models. The DSHS must consult with the federal Center for Medicare and Medicaid Innovation and seek funding to support health homes.

The Department of Health is directed to collaborate with the HCA to promote the adoption of primary care health homes in state-purchased health care programs.

The Administrator of the HCA must establish a collaborative work group to receive input from health plans regarding incentives to promote health homes. All health carriers that provide a comprehensive health plan in Washington shall participate in the work group. The HCA must report to the Legislature annually beginning December 1, 2012, regarding efforts to integrate health homes into publicly-purchased health programs for low-income residents.

Appropriation: None.

Fiscal Note: Requested on March 7, 2011.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.