SENATE BILL REPORT
SB 5394

As of February 10, 2011

Title: An act relating to primary care health homes and chronic care management.

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

Sponsors: Senators Keiser, Becker, Pflug, Conway, Kline and Parlette.

Brief History:
Committee Activity: Health & Long-Term Care: 1/27/11.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Mich'l Needham (786-7442)

Background: Legislation passed in 2008 directed the Department of Health (DOH) to create a medical home learning collaborative as an opportunity 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 agencies facilitated discussions with private payers and providers to collaborate and identify reimbursement methods that would align incentives to support primary care medical homes. The multi-payer pilot project has been designed, and the pilot project is on track to begin with the payment demonstration this spring.

Summary of Bill: State health care purchasing efforts for the Medicaid, Basic Health, and Public Employees Benefits Board programs must include provisions in contracts that encourage broad implementation of primary care health homes. Contracts must include provider reimbursement methods that incentivize chronic care management within primary care health homes; provider reimbursement methods that reward primary care health homes that reduce emergency department and inpatient use; and promote provider participation in the training program (medical home learning collaborative) developed by the DOH.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Primary care health home is defined to mean coordinated primary care provided by a designated medical professional coordinating all medical care, with a multi-disciplinary health care team of clinical and nonclinical staff. Services must include comprehensive care management including chronic care treatment and management; extended hours of service; multiple ways for patients to communicate with the team; education of patients on self-care, prevention and health promotion, including the use of patient decision aids; coordination of transitions from inpatient care; individual and family support; use of information technology; and on-going performance reporting. Primary care provider is defined, and may include a specialist treating a person with a chronic medical condition.

The HCA must establish a collaborative workgroup to encourage input from insurance carriers, self-insured plans and Taft-Hartley plans, third-party purchasers, public payers, and providers to promote primary care health homes for employees with chronic and multiple conditions. The discussion and development of any payment reforms are provided immunity from federal antitrust laws through the state action doctrine.

The HCA must initiate an agreement with the Puget Sound Health Alliance (Alliance) to compile data on the implementation of the public program contracting and efforts to broadly implement primary care health homes. All agencies and carriers must report data to the Alliance, and beginning December 31, 2011, the Alliance must report to the Legislature annually on the progress.

By December 1, 2011, all licensed insurance carriers providing a comprehensive health plan must report to the Legislature on how they will modify provider reimbursement methods starting July 1, 2012, to incentivize chronic care management within primary care health homes.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: There is a growing body of evidence that coordinated care leads to more satisfied patients with better health outcomes and overall savings with reductions in emergency room use and hospital inpatient days. The bill attempts to bring more standardization to definitions and procedures and broaden the use of the primary care health home to ensure better management of chronic health conditions. It is important to integrate oral health care with primary care. The mouth is an integral part of the body and the overall health, and better coordination of periodontal disease would lead to better outcomes. Please add the intent that primary care health homes should coordinate with elder care services. Please consider refining the definitions to tighten up the primary care provider and medical care services references, and remove specialists from the definition or very narrowly define it to maintain the principles of focusing on primary care. Premera is submitting an amendment to tighten up the reporting of information to protect proprietary information. It is important to recognize the development of primary care and the shift to

different payment mechanisms is a journey that may take us a while. We don't know what the right model looks like yet; but with time and experimentation, we will find the right model for everybody. The definition of designated professionals should include registered nurses – they are a core component and are trained with this model in mind. Please ensure the PEBB sections apply to all plans and explore alternatives to allow incentives for enrollees not just providers. The benefit design should be modified to include incentives and ban any financial disincentive to access care. New payment systems should reward for outcomes, not volume. Critical mental health is an integral part of primary care and chronic care management. We have models all over with primary care and mental health care integrating, and it results in better coordinated care. Consider adding pharmacists to the health care team, and add medication therapy management to the bill as a component of chronic care management. Add pediatric patients with chronic disease and reimbursement for pediatric providers. Add physical therapists as primary care providers.

OTHER: Please add direct practice providers in the model – we would like to have insurance wrap around the direct primary care we provide now. We already provide primary care medical homes, and we have great outcomes, with significant reductions in emergency room use and hospital use.

Persons Testifying: PRO: Senator Keiser, prime sponsor; Russell Maier, WA Dental Service Foundation; Jennifer Estroff, Children's Alliance; Jerry Reilly, Eldercare Alliance; Michael Transue, WA Academy of Family Physicians; Jack McRae, Premera Blue Cross; Joe Gifford, Regence Blue Shield; Joe King, Group Health; Sofia Aragon, WA State Nurses Assn.; Jonathan Rosenbloom, SEIU 1199 NW; Ann Christian, WA Community Mental Health Council; Dedi Hitchens, WA State Pharmacy Assn.; Lis Houchen, National Assn. of Chain Drug Stores; Chris Olson, WA Chapter American Academy of Pediatrics; Melissa Johnson, Physical Therapy Assn.; Rashi Gupta, Assn. of WA Counties.

OTHER: Erika Bliss, Lisa Thatcher, Qliance.