FINAL BILL REPORT
SSB 5394

C 316 L 11
Synopsis as Enacted

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).

Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means
House Committee on Health Care & Wellness
House Committee on Ways & Means

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: State health care purchasing efforts for the Medicaid, Basic Health, and Public Employees Benefits Board (PEBB) 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 health homes; provider reimbursement methods that reward 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. Health home services may be prioritized to enrollees with complex, high cost, or multiple chronic conditions. Contract expenses must not be more than they would otherwise be without the health home provisions. DSHS must work with the federal Center for Medicare and Medicaid Innovation and seek funding opportunities to support health homes.

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.

A health home is defined to mean primary care provided by a primary care provider who coordinates all medical care, with a multi-disciplinary health care team. Primary care provider means a general practice physician, family practitioner, internist, pediatrician, osteopath, naturopath, physicians assistant, osteopathic physician assistant, or advanced registered nurse practitioner. A health care team includes, but is not limited to, medical specialists, nurses, pharmacists, nutritionists, dieticians, social workers, behavioral and mental health providers including substance use disorder prevention and treatment providers, chiropractors, physical therapists, alternative medicine practitioners, home care and other long-term care providers, and physicians assistants.

The HCA must coordinate a discussion with carriers to learn from successful chronic care management models and develop principles for effective reimbursement methods to align incentives in support of patient centered chronic care health homes. The HCA must report to the Legislature by December 1, 2012, describing the principles developed from the discussion and any steps taken by the PEBB or carriers to implement the principles through their payment methodology.

Votes on Final Passage:

Senate	49	0	
House	53	39	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 22, 2011.