
Health Care & Wellness Committee

HB 2565

Brief Description: Concerning a mutual accountability model for clinical practices and healthy behaviors.

Sponsors: Representative Rodne.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Creates a pilot project for enrollees in the Uniform Medical Plan to test the Mutual Accountability Model in which financial incentives are offered to providers and patients for adherence to best clinical practices and healthy behaviors.

Hearing Date: 1/29/14

Staff: Jim Morishima (786-7191).

Background:

The Public Employees Benefits Board (PEBB), an entity within the Health Care Authority, develops benefit plans, forms benefit contracts, develops participation rules, and approves rate and premium schedules for state employees and their covered dependents. One of the benefit plans designed by the PEBB is the Uniform Medical Plan (UMP). The UMP is a self-insured preferred provider organization and is administered by a third party administrator, Regency Blue Shield. Enrollees in the UMP are eligible for financial incentives for wellness activities, but there are no encounter-based financial incentive programs for providers.

The Uniform Medical Plan Benefits Administrative Account is a non-appropriated account containing receipts from amounts due from, or on behalf of, UMP enrollees for expenditures related to benefits administration. Moneys in the account may only be used for contracted expenditures for UMP claims administration, data analysis, utilization management, preferred provider administration, activities related to benefits administration where the level of services provided pursuant to a contract fluctuate as a direct result of changes in UMP enrollment, and

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administrative activities required to respond to new and unforeseen conditions that impact the UMP.

Summary of Bill:

The PEBB must conduct a pilot project for UMP enrollees to test the mutual accountability model (MAM), in which financial incentives are offered to both providers and patients for declaring or demonstrating to one another adherence to best clinical practices and healthy behaviors. At a minimum, the MAM must:

- incorporate evidence-based medicine treatment guidelines and information therapy (defined as providing a patient the right information at the right time to make an informed decision);
- be voluntary for health care providers and patients on an encounter-by-encounter basis;
- compensate providers for declaring to their patients their adherence or reasons for non-adherence to evidence-based medicine treatment guidelines and for providing their patients with relevant educational material as information therapy;
- offer a financial reward to patients for responding to the delivery of information therapy by:
 - demonstrating the patient's understanding of his or her health condition and recommended care;
 - declaring or demonstrating adherence or providing a reason for non-adherence to recommended care;
 - agreeing to allow the patient's provider to view the patient's response and acknowledge the patient's health accomplishments; and
 - rating the quality of care provided to the patient against the treatment guidelines and recommend care; and
- allow the health care provider and the patient to earn additional financial incentives by applying the MAM to wellness, prevention, and care management regimens such as health risk assessments and screenings, smoking cessation, weight loss and fitness programs, and disease management.

To conduct the pilot project, the PEBB must contract with a vendor that offers a web-based health care cost containment program incorporating the MAM for plan years 2015, 2016, and 2017. The PEBB must determine the number of beneficiaries necessary to participate in the pilot project to achieve a statistical significance. The number of beneficiaries must be at least 10 percent of the enrollees in the UMP.

The PEBB must contract with an independent entity to collect and analyze pilot project data. The entity must provide an analysis of the progress of the pilot project at least once a year. By September 1, 2018, the entity must submit a final report to the PEBB regarding the financial sustainability of the pilot project, its effectiveness at controlling health care costs, and other relevant objectives identified by the PEBB. The report must also include recommendations for improving the program and expanding its use. The PEBB must submit the report to the Governor and the Legislature by October 1, 2018.

The PEBB must use funds from the Uniform Medical Plan Benefits Administration Account for the cost of the pilot project and may not pass the costs on to the participating state agencies, other entities participating in the PEBB, or providers.

Appropriation: None.

Fiscal Note: Requested on January 23, 2014.

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