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**HOUSE BILL 1600**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Representatives Rodne, Cody, Schmick, Johnson, Jinkins, Harris, Walkinshaw, Tharinger, and Wylie

AN ACT Relating to a three-part aim solution that improves health and health care in a manner that lowers overall health care costs in a normally distributed population; and adding a new section to chapter 41.05 RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  A new section is added to chapter 41.05 RCW to read as follows:

(1) The authority shall conduct a pilot project for enrollees in the uniform medical plan to test a three-part aim solution that improves health and health care in a manner that lowers overall health care costs in a normally distributed population. At a minimum, the three-part aim solution must:

(a) Offer financial incentives to both health care providers and their covered patients for declaring or demonstrating to one another adherence to best clinical practices and healthy behaviors;

(b) Incorporate evidence-based medicine treatment guidelines and information therapy;

(c) Be voluntary for health care providers and covered patients on an encounter-by-encounter basis;

(d) Compensate health care providers for declaring to their covered patients their adherence or reasons for nonadherence to evidence-based medicine treatment guidelines, and for providing relevant educational material as information therapy to their covered patients;

(e) Offer a financial reward to the covered patient for responding to the delivery of information therapy by demonstrating the patient's understanding of his or her health condition and recommended care, by declaring or demonstrating adherence or providing a reason for nonadherence to recommended care, by agreeing to allow the patient's health care provider to view the patient's responses and acknowledge the patient's health accomplishments, and by rating the quality of care provided to the patient against the treatment guidelines and recommended care;

(f) Be delivered though an internet application that facilitates the solution's objectives and provides features such as scalability, accessibility, ease of use, documentation of provider and patient activity, and the overall administration of the solution; and

(g) Allow the health care provider and the patient to earn additional financial incentives by applying the three-part aim solution to wellness, prevention, and care management regimens such as health risk assessments and screenings, smoking cessation, weight loss and fitness programs, and disease management.

(2) Integral to the pilot project, the authority shall conduct a matched cohort study to determine the cost containment capabilities of the three-part aim solution. The pilot and its associated matched cohort study must:

(a) Commence at the beginning of the 2016 plan year and continue for at least two years;

(b) Involve an intervention group consisting of a subset of enrollees of the uniform medical plan to be covered by the solution that is matched to the plan's overall population in terms of age, gender, and other pertinent and accessible variables. The intervention group must consist of a population determined by the board as sufficient to achieve a statistical significance, but not less than twenty-five percent of the total number of beneficiaries enrolled in the uniform medical plan; and

(c) Compare the overall annual per member health care costs of the intervention group, inclusive of the full cost of the program, to the overall annual per member health care costs of control group consisting of a matched population of the uniform medical plan beneficiaries not covered by the three-part aim solution.

(3) The authority shall contract, directly or through an insuring or plan administration entity, with a vendor that offers a three-part aim solution that meets the requirements described in subsection (1) of this section. The vendor must:

(a) Be willing to subject its solution to a publicly conducted, matched-cohort study as provided in this section; and

(b) Have at least a five-year track record of delivering its solution as described in this section.

(4) To ensure a fair, unbiased, and true evaluation of the solution, the authority shall:

(a) Provide the necessary support and access to pilot data to the solution vendor to ensure the successful deployment and administration of the solution; and

(b) Contract with an independent evaluator that is a recognized expert in the area of health reform research and the type of matched-cohort study required by this section, and that is acceptable to the solution vendor, to collect and analyze the pilot project data to compare the intervention group's results to the control group's results as required in this section. The independent evaluator shall report the findings of its analyses to the authority and the solution vendor at least annually and within six months of the pilot project's anniversary. The independent evaluator shall submit a final report regarding the financial sustainability of the solution, its effectiveness at controlling health care costs, and other relevant objectives, to the authority and the solution vendor within six months of the pilot project's conclusion.

(5) The authority shall submit the annual and final pilot project reports, with commentary by the authority and solution vendor, to the governor, the legislature, and the board within thirty days of receipt from the independent evaluator.

(6) Unless disapproved by the governor, the authority shall expand the solution to cover all uniform medical plan enrollees for at least three years if the independent evaluator's analysis of the pilot project's matched-cohort study determines that the solution controls health care costs enough to at least achieve self-funding.

(7) The authority shall use funds from the uniform medical plan benefits administration account established under RCW 41.05.143 for the cost of the pilot project and may not pass these costs to participating state agencies, other entities participating in the public employees' benefits board, or providers.

(8) For purposes of this section:

(a) "Information therapy" means providing a patient with the right educational material at the right time so the patient can make an informed health decision.

(b) "Covered patient" means a uniform medical plan enrollee who is made eligible to voluntarily participate in the three-part aim solution established in this section.

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