

HOUSE BILL REPORT

SB 5146

As Reported by House Committee On:
Health Care & Wellness

Title: An act relating to improving the quality of medicaid purchasing, delivery, and transparency.

Brief Description: Concerning quality assurance standards for medicaid purchasing.

Sponsors: Senators Bailey and Rivers.

Brief History:

Committee Activity:

Health Care & Wellness: 3/13/15, 3/17/15 [DPA].

Brief Summary of Bill
(As Amended by Committee)

- Requires Medicaid managed care contractors to be accredited by an organization that develops health care measures that assess the quality of care and services for managed care clients.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass as amended. Signed by 15 members: Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Caldier, Clibborn, DeBolt, Jinkins, Johnson, Moeller, Robinson, Rodne, Short, Tharinger and Van De Wege.

Staff: Chris Blake (786-7392).

Background:

Managed care is a prepaid, comprehensive system of medical and health care delivery, including preventive, primary, specialty, and ancillary health services. Washington Apple Health is the Medicaid managed care program for low-income people in Washington. Washington Apple Health offers eligible families, children under age 19, pregnant women, and certain blind or disabled individuals a complete medical benefits package.

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.

The Health Care Authority establishes standards for managed care organizations that seek to contract to provide services to clients in the Washington Apple Health program. The standards include:

- obtaining a certificate of registration from the Office of the Insurance Commissioner to provide the health care services;
- accepting the Authority's managed care contract;
- demonstrating the ability to meet the Authority's network and quality standards; and
- being awarded a contract through a competitive process or an application process.

There are currently six managed care organizations participating in Washington Apple Health. The 2015 Washington Apple Health contract requires that all contractors be accredited with the National Committee on Quality Assurance (NCQA) by December 31, 2015. The NCQA is a private, non-profit organization that maintains accreditation programs for several types of health care entities, including health plans, managed behavioral healthcare organizations, accountable care organizations, and wellness and health promotion programs.

Summary of Amended Bill:

The Health Care Authority (Authority) must select an accrediting organization that develops and maintains health care measures that assess the quality of care and services for managed care clients. In selecting an organization, the Authority must consider the National Committee for Quality Assurance.

Current Medicaid managed care contractors must be accredited by the organization by December 1, 2015. New Medicaid managed care contractors must be accredited within 18 months of the start date of their contract. Medicaid purchasing must support the organization's standards.

Amended Bill Compared to Original Bill:

The amended bill removes the designation of the National Committee for Quality Assurance (NCQA) as the accrediting organization and directs the Health Care Authority to select an accrediting organization that develops health care measures that assess the quality of care and services for managed care clients, including consideration of the NCQA. Current and future Medicaid contractors must be accredited by the organization and Medicaid purchasing must support the organization's standards.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The National Committee for Quality Assurance's (NCQA) health plan accreditation program has been around for over 20 years and is the most widely recognized accreditation program in the country. Using NCQA standards has improved the managed care experience for clients, patients, physicians, and employers. The state's Medicaid program has a similar requirement in its contracts with managed care organizations and this bill will put the requirement in statute. This bill will assure that NCQA standards continue to be used and applied consistently. The bill provides a grace period for all new entrants.

(Opposed) None.

Persons Testifying: Representative Johnson.

Persons Signed In To Testify But Not Testifying: None.