

# SENATE BILL REPORT

## SB 5146

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As Reported by Senate Committee On:  
Health Care, January 29, 2015

**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: 1/27/15, 1/29/15 [DP].

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### SENATE COMMITTEE ON HEALTH CARE

**Majority Report:** Do pass.

Signed by Senators Becker, Chair; Dammeier, Vice Chair; Frockt, Ranking Minority Member; Angel, Bailey, Brown, Cleveland, Conway, Jayapal, Keiser, Parlette and Rivers.

**Staff:** Mich'l Needham (786-7442)

**Background:** The Washington State Health Care Authority is the agency designated as the lead Medicaid agency with responsibility for purchasing medical coverage for approximately 1.7 million individuals. Approximately 1.5 million individuals receive full health benefits coverage from Medicaid or the Children's Health Insurance Program, with 90 percent of the population enrolled in care provided through insurance carriers, referred to as managed care organizations.

For 2015 the agency has contracts with six managed care organizations for the full health benefits coverage commonly identified as Apple Health: Amerigroup, Columbia United Providers, Community Health Plan of Washington, Coordinated Care, Molina Healthcare, and United Healthcare. The contracts require all current managed care organizations to be accredited by the National Committee for Quality Assurance (NCQA) by December 31, 2015, and any new plans must receive accreditation within 18 months of the effective date of the contract.

NCQA is a private not-for-profit organization founded in 1990, focused on health care quality. It has one of the most widely recognized accreditation programs in the United

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States, with standards that apply to all types of health plans, Exchange marketplaces, Medicaid managed care plans, and Medicare Advantage plans. NCQA accreditation involves a comprehensive evaluation that includes an assessment of clinical performance measures, organization structures, and consumer experiences. NCQA produces a number of quality rating products for consumers, regulators, and employers and other purchasers.

**Summary of Bill:** Medicaid purchasing must support standards developed by NCQA, and all current Medicaid managed care contractors must be NCQA accredited by December 2015. New managed care entrants are provided a grace period for becoming accredited within 18 months of a contract start date.

**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: While the health plans are in the process now of meeting the NCQA accreditation, this bill also requires any new plans to meet the standards within 18 months of contracting to ensure we continue to offer the best quality assurance standards.

**Persons Testifying:** PRO: Senator Bailey, prime sponsor.