

# HOUSE BILL REPORT

## E2SHB 1358

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**As Passed House:**  
March 1, 2017

**Title:** An act relating to reimbursement for services provided pursuant to community assistance referral and education services programs.

**Brief Description:** Concerning reimbursement for services provided pursuant to community assistance referral and education services programs.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Griffey and Cody).

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 2/3/17, 2/17/17 [DPS];  
Appropriations: 2/23/17, 2/24/17 [DP2S(w/o sub HCW)].

**Floor Activity:**

Passed House: 3/1/17, 92-6.

**Brief Summary of Engrossed Second Substitute Bill**

- Directs the Health Care Authority to adopt reimbursement standards for fire departments providing covered health care services to Medicaid clients who do not require ambulance transport to an emergency department.
- Directs the Joint Legislative Audit and Review Committee to conduct a cost-effectiveness review of the reimbursement standards for fire departments.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Cody, Chair; Macri, Vice Chair; Clibborn, DeBolt, Jinkins, Riccelli, Robinson, Rodne, Slatter, Stonier and Tharinger.

**Minority Report:** Do not pass. Signed by 6 members: Representatives Schmick, Ranking Minority Member; Graves, Assistant Ranking Minority Member; Caldier, Harris, MacEwen and Maycumber.

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*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.*

**Staff:** Chris Blake (786-7392).

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care & Wellness. Signed by 26 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Stokesbary, Assistant Ranking Minority Member; Bergquist, Buys, Cody, Fitzgibbon, Haler, Hansen, Harris, Hudgins, Jinkins, Kagi, Lytton, Manweller, Pettigrew, Pollet, Sawyer, Schmick, Senn, Springer, Stanford, Sullivan, Tharinger, Volz and Wilcox.

**Minority Report:** Do not pass. Signed by 7 members: Representatives Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Caldier, Condotta, Nealey, Taylor and Vick.

**Staff:** Catrina Lucero (786-7192).

### **Background:**

Fire departments may establish community assistance referral and education services (CARES) programs. A CARES program provides community outreach and assistance to residents to improve population health and promote injury and illness prevention. A CARES program identifies members of the community who use the 911 system or emergency departments for nonemergency or nonurgent assistant calls. A CARES program connects residents with health care professionals, low-cost medication programs, and social services. A CARES program must measure reductions in the repeated use of the 911 system and any associated reductions in avoidable emergency department trips. Fire departments may fund CARES programs through grants and private gifts.

The term "fire departments" includes city and town fire departments, fire protection districts, regional fire protection service authorities, emergency medical service providers that levy a tax, and federally recognized Indian tribes.

The programs may hire health care professionals to perform the services. The health care professionals may include emergency medical technicians, advanced emergency medical technicians, and paramedics if they are trained and certified to provide the service and they practice under the supervision and direction of a medical program director.

### **Summary of Engrossed Second Substitute Bill:**

The Health Care Authority (Authority) must adopt reimbursement standards for fire departments providing covered health care services through a community assistance and referral education services (CARES) program to Medicaid clients who do not require ambulance transport to an emergency department. In addition to grants and private gifts, fire departments may fund a CARES program through the establishment and collection of reasonable charges, if approved by resolution or ordinance.

The term "fire department" is expanded to include entities that are eligible to impose an emergency medical care and services levy, rather than only those entities that actually impose such a levy.

By December 1, 2021, the Joint Legislative Audit and Review Committee (JLARC), in consultation with the Authority, must conduct a cost-effectiveness review of the reimbursement standards and submit the results to the fiscal and health policy committees of the Legislature. The review must compare the amount paid to fire departments under the reimbursement standards to the amount that would have been paid if the services had been provided in a different setting. The review must identify any savings from the reimbursement standards and make recommendations to reduce the potential for excessive billing or billing for unnecessary services. If the review finds that the reimbursement standards have not resulted in savings to medical assistance programs, the JLARC must recommend the repeal of the standards.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

**Staff Summary of Public Testimony (Health Care & Wellness):**

(In support) The goal of community paramedicine is to send emergency responders to decide if a transport to a hospital is necessary. Allowing fire services to bill for these services can save money by helping people make an educated decision about whether or not to go to the emergency department.

Fire departments are providing health care services in innovative ways that are achieving savings and efficiencies. This legislation would help because there currently is not a single source of sustainable funding for these services. This bill will help these programs reach more parts of the state.

Most reimbursement for fire departments is limited to transportation of patients to emergency departments which financially incentivizes the delivery of patients to the highest level of care and the most costly level of care provider. Every emergency department visit or hospital admission that is avoided saves thousands of dollars.

This bill simply allows for the reimbursement of services provided by fire departments through a community assessment and referral education services (CARES) program. For one fire department, the CARES program reduced costs by up to \$600,000 annually, reduced health care system costs by up to \$1 million, and reduced emergency department visits by up to 200 visits annually. Another program was able to reduce 911 calls to individuals under the program and emergency department visits by 50 percent and sustained it for three years. Another program saw a nearly 80 percent reduction in utilization for patients who had been using the emergency medical services system and an overall 57 percent reduction in transports to the emergency department. Using CARES teams can keep other response units

in service for up to 3 hours per day. Teams were able to redirect patients from emergency departments to more appropriate and cost-effective services, such as urgent care clinics, mental health centers, or social service providers. Even though CARES programs are reducing costs, improving health care quality, and increasing access to care, the fire departments cannot recoup their costs. This bill will help CARES programs become sustainable so that they do not have to borrow from daily operating budgets.

(Opposed) None.

(Other) There are many places in the state that do not have access to paramedics through public services, so there should be an amendment to allow private ambulance services to work with fire departments and bill for these services so that all resources are available.

**Staff Summary of Public Testimony (Appropriations):**

(In support) These services reduce costs and allow fire departments to better utilize emergency resources. The Kent Fire Department estimates that this program saves the health care system approximately \$1 million per year. This bill would create a sustainable source of funding for these types of programs.

(Opposed) None.

**Persons Testifying (Health Care & Wellness):** (In support) Representative Griffey, prime sponsor; Geoff Simpson, Washington State Council of Fire Fighters; Mitch Snyder, Puget Sound Fire; Shaughn Maxwell, Snohomish Fire District 1; and Scott Dorsey, Snohomish Fire District 7.

(Other) Robert Berschauer, Washington Ambulance Association.

**Persons Testifying (Appropriations):** Representative Griffey, prime sponsor; and Geoff Simpson, Washington State Council of Fire Fighters.

**Persons Signed In To Testify But Not Testifying (Health Care & Wellness):** None.

**Persons Signed In To Testify But Not Testifying (Appropriations):** None.