
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2549

State of Washington

60th Legislature

2008 Regular Session

By House Appropriations (originally sponsored by Representatives Seaquist, Lantz, Morrell, Lias, Barlow, and Green)

READ FIRST TIME 02/13/08.

1 AN ACT Relating to establishing patient-centered primary care pilot
2 projects; creating new sections; and providing an expiration date.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that our primary care
5 system is severely faltering and the number of people choosing primary
6 care as a profession is decreasing dramatically. Primary care
7 providers include family medicine and general internal medicine
8 physicians, pediatricians, naturopathic physicians, advanced registered
9 nurse practitioners, and physician assistants. A strong primary care
10 system has been shown to improve health outcomes and quality and to
11 reduce overall health system costs. To improve the health and
12 well-being of the people in the state of Washington; enhance the
13 recruitment, retention, performance, and satisfaction of primary
14 providers; and control costs, our statewide system of primary care
15 providers needs to be rapidly expanded, improved, and supported, in
16 line with current research and professional innovations.

17 The legislature further finds that a medical home can best deliver
18 the patient-centered approach that can manage chronic diseases, address
19 acute illnesses, and provide effective prevention. A medical home is

1 a place where health care is accessible and compassionate. It is built
2 on evidence-based strategies with a team approach. Each patient
3 receives medically necessary acute, chronic, prevention, and wellness
4 services, as well as other medically appropriate dental and behavioral
5 services, and community support services, all which are tailored to the
6 individual needs of the patient. Development and maintenance of
7 medical homes require changes in the reimbursement of primary care
8 providers in medical home practices. There is a critical need to
9 identify reimbursement strategies to appropriately finance this model
10 of delivering medical care.

11 NEW SECTION. **Sec. 2.** (1) Within funds appropriated for this
12 purpose, and with the goal of catalyzing and providing financial
13 incentives for the rapid expansion of primary care practices that use
14 the medical home model, the department of health shall offer primary
15 care practices an opportunity to participate in a medical home
16 collaborative program, as authorized under RCW 43.70.533. Qualifying
17 primary care practices must be willing and able to adopt and maintain
18 medical home models, as defined by the department of social and health
19 services in its November 2007 report to the legislature concerning
20 implementation of chapter 5, Laws of 2007.

21 (2) The collaborative program shall be structured to promote
22 adoption of medical homes in a variety of primary care practice
23 settings throughout the state and consider different populations,
24 geographic locations, including at least one location that would agree
25 to operate extended hours, which could include nights or weekends, and
26 other factors to allow a broad application of medical home adoption,
27 including rural communities and areas that are medically underserved.
28 The collaborative program shall assist primary care practices to
29 implement the medical home requirements and provide the full complement
30 of primary care services as established by the medical home definition
31 in this section. Key goals of the collaborative program are to:

32 (a) Develop common and minimal core components to promote a
33 reasonable level of consistency among medical homes in the state;

34 (b) Allow for standard measurement of outcomes; and

35 (c) Promote adoption, and use of the latest techniques in effective
36 and cost-efficient patient-centered integrated health care.

1 Medical home collaborative participants must agree to provide data
2 on patients' experience with the program and health outcome measures.
3 The department of health shall consult with the Puget Sound health
4 alliance and other interested organizations when selecting specific
5 measures to be used by primary care providers participating in the
6 medical home collaborative.

7 (3) The medical home collaborative shall be coordinated with the
8 Washington health information collaborative, the health information
9 infrastructure advisory board, and other efforts directed by RCW
10 41.05.035. If the health care authority makes grants to primary care
11 practices for implementation of health information technology during
12 state fiscal year 2009, it shall make an effort to make these grants to
13 primary care providers participating in the medical home collaborative.

14 (4) The department of health shall issue an annual report to the
15 health care committees of the legislature on the progress and outcome
16 of the medical home collaborative. The reports shall include:

17 (a) Effectiveness of the collaborative in promoting medical homes
18 and associated health information technology, including an assessment
19 of the rate at which the medical home model is being adopted throughout
20 the state;

21 (b) Identification of best practices; an assessment of how the
22 collaborative participants have affected health outcomes, quality of
23 care, utilization of services, cost-efficiencies, and patient
24 satisfaction;

25 (c) An assessment of how the pilots improve primary care provider
26 satisfaction and retention; and

27 (d) Any additional legislative action that would promote further
28 medical home adoption in primary care settings.

29 The first annual report shall be submitted to the legislature by
30 January 1, 2009, with the final report due to the legislature by
31 December 31, 2011.

32 NEW SECTION. **Sec. 3.** As part of the five-year plan to change
33 reimbursement required under section 1, chapter 259, Laws of 2007, the
34 health care authority and department of social and health services must
35 expand their assessment on changing reimbursement for primary care to
36 support adoption of medical homes to include medicare, other federal
37 and state payors, and third-party payors, including health carriers

1 under Title 48 RCW and other self-funded payors. The health care
2 authority shall also collaborate with the Puget Sound health alliance,
3 if that organization pursues a project on medical home reimbursement.
4 The goal of the collaboration is to identify appropriate medical home
5 reimbursement strategies and provider performance measurements for all
6 payors, and to garner support among payors to adopt payment strategies
7 that support medical home adoption and use. The health care authority
8 and the department of social and health services shall report their
9 findings to the health care committees of the legislature by January 1,
10 2009, with a recommended timeline for adoption of payment and provider
11 performance strategies and recommended legislative changes should
12 legislative action be necessary.

13 NEW SECTION. **Sec. 4.** The governor is strongly encouraged to
14 submit a proposal to academy health and the commonwealth fund to
15 participate in the 2008 state quality improvement institute sponsored
16 by those organizations. The state's proposal should be directed toward
17 implementation of patient-centered medical homes among primary care
18 providers practicing in Washington state.

19 NEW SECTION. **Sec. 5.** This act expires December 31, 2011.

20 NEW SECTION. **Sec. 6.** If specific funding for the purposes of this
21 act, referencing this act by bill or chapter number, is not provided by
22 June 30, 2008, in the omnibus appropriations act, this act is null and
23 void.

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