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HOUSE BILL 2549

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State of Washington                      60th Legislature                      2008 Regular Session

By Representatives Seaquist, Lantz, Morrell, Liias, Barlow, and Green

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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, advanced registered nurse practitioners and  
9 physician assistants. A strong primary care system has been shown to  
10 improve health outcomes and quality and to reduce overall health system  
11 costs. To improve the health and well-being of the people in the state  
12 of Washington, enhance the recruitment, retention, performance, and  
13 satisfaction of primary providers, our primary care system needs to be  
14 restructured, improved, and supported.

15            The legislature further finds that a patient-centered approach that  
16 can manage chronic diseases, address acute illnesses and provide  
17 effective prevention needs to be in place and the medical home may best  
18 accomplish this goal. It is a place where health care is accessible,  
19 compassionate, and built on evidence-based strategies with a team

1 approach. Each patient receives medically necessary acute, chronic,  
2 prevention, and wellness services as well as other medically  
3 appropriate dental and behavioral services and other community support  
4 services, all which are tailored to the individual needs of the  
5 patient. Development and maintenance of medical homes require changes  
6 in how primary care providers with medical homes are reimbursed. There  
7 is a critical need to identify reimbursement strategies to  
8 appropriately finance this delivery of care model.

9 NEW SECTION. **Sec. 2.** (1) Within funds appropriated for this  
10 purpose, the health care authority shall develop a pilot project  
11 program to provide funding and technical assistance to primary care  
12 providers willing and able to adopt and maintain medical home models,  
13 as defined by the department of social and health services in its  
14 November 2007 report to the legislature concerning implementation of  
15 Second Substitute Senate Bill No. 5093 (chapter 5, Laws of 2007). The  
16 health care authority shall seek input on the program development from  
17 experts and interested stakeholders such as the Washington coalition  
18 for primary care.

19 (2) The program shall be structured to allow adoption of medical  
20 homes in a variety of primary care practice settings throughout the  
21 state and consider differing populations, geographic locations, and  
22 other factors to allow for a broad testing of medical home adoption,  
23 including but not limited to rural communities and areas that are  
24 medically underserved. The program shall include consultation to  
25 assist primary care practices to improve office workflow and other  
26 technical assistance necessary to help assure adoption and use of the  
27 latest techniques in effective and cost-efficient, patient-centered  
28 integrated health care. Selected pilot project sites must agree to  
29 submit valid measures using patient input and health outcome measures,  
30 as required by the health care authority, to determine progress and  
31 success and inform the understanding of best practices. The health  
32 care authority shall consult with the Puget Sound health alliance when  
33 selecting specific measures to be used by pilot project sites.

34 (3) The program shall provide financial incentives to attract  
35 primary care providers into primary care in the form of signing bonuses  
36 or other incentives for pilot project sites selected under subsection  
37 (2) of this section and, on a case-by-case basis, determine whether a

1 particular site needs financial assistance to attract a new primary  
2 care provider. The health care authority shall determine the amount of  
3 bonuses as seems appropriate for type of provider, location of pilot,  
4 and other relevant factors. It may also establish participation  
5 requirements for those primary care providers accepting signing  
6 bonuses.

7 (4) The program shall provide start-up funding for adoption of  
8 health information technology models that have shown promise and can  
9 support medical homes. Funding shall be available to approved selected  
10 pilot project sites under subsection (2) of this section when such  
11 sites also seek to incorporate health information technology into their  
12 practice. These efforts shall be coordinated with the Washington  
13 health information collaborative, the health information infrastructure  
14 advisory board, and other efforts directed by RCW 41.05.035.

15 (5) The health care authority may issue competitive contracts with  
16 public and private entities to assist in implementation and technical  
17 assistance provision to pilot project sites authorized under this act.

18 (6) The health care authority shall issue a report to the health  
19 care committees of legislature on the progress and outcome of the pilot  
20 project program. The report shall include, but not be limited to: (a)  
21 Effectiveness of grant funding and technical assistance in promoting  
22 medical homes and health information technology; (b) identification of  
23 best practices; an assessment of how the pilot sites have affected  
24 health outcomes, quality of care, utilization of services, cost-  
25 efficiencies, and patient satisfaction; (c) a comparison of outcomes,  
26 service utilization, cost, and patient satisfaction with a sample  
27 population of enrollees in the state's uniform medical plan who do not  
28 receive services at a pilot site location; (d) an assessment of how the  
29 pilots improve primary care provider satisfaction and recruitment and  
30 retention; and (e) any additional legislative action that would promote  
31 medical home adoption in primary care settings. A progress report  
32 shall be developed by January 1, 2009, with the final report due to the  
33 legislature by December 31, 2011.

34 NEW SECTION. **Sec. 3.** (1) To better understand the current primary  
35 care landscape and future needs for primary care providers, the office  
36 of financial management shall conduct a study in collaboration with the  
37 health care authority, the department of health, department of social

1 and health services medical assistance, the state workforce training  
2 and education coordinating board, and interested stakeholders such as  
3 the Washington coalition for primary care.

4 (2) The study shall identify existing data sources, and pursue data  
5 collection and analysis to: (a) Evaluate the current supply and scope  
6 of service of primary care providers in the state, (b) identify current  
7 practices that use a medical home model as defined by the department of  
8 social and health services in its November 2007 report to the  
9 legislature concerning implementation of Second Substitute Senate Bill  
10 No. 5093 (chapter 5, Laws of 2007), (c) project the provider supply  
11 necessary for a robust primary care system through medical homes, (d)  
12 identify the barriers and opportunities to increasing use of the  
13 medical home model, and (e) quantify the value of primary care and  
14 medical homes as a cost-efficient means of improving health outcomes,  
15 quality, and patient satisfaction. A report of the study's findings  
16 shall be made to the health care committees of the legislature by July  
17 1, 2009.

18 (3) As part of the five-year plan to change reimbursement required  
19 under section 1 of Engrossed Second Substitute Senate Bill No. 5930  
20 (chapter 259, Laws of 2007), the health care authority and department  
21 of social and health services shall expand its assessment on changing  
22 reimbursement for primary care to support adoption of medical homes to  
23 include medicare, other federal and state payors, and third-party  
24 payors, including health carriers under Title 48 RCW and other self-  
25 funded payors. The health care authority shall also collaborate with  
26 the Puget Sound health alliance, should that organization pursue a  
27 project on medical home reimbursement. The goal of the collaboration  
28 is to identify appropriate medical home reimbursement strategies and  
29 provider performance measurements across all payors, and to garner  
30 support among payors to adopt payment strategies that support medical  
31 home adoption and use. The health care authority shall report its  
32 findings to the health care committees of the legislature with its  
33 findings by January 1, 2009, with a recommended timeline for adoption  
34 of payment and provider performance strategies and recommended  
35 legislative changes should legislative action be necessary.

36 NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act expire on  
37 December 31, 2011.

1        NEW SECTION.   **Sec. 5.**   If specific funding for the purposes of this  
2   act, referencing this act by bill or chapter number, is not provided by  
3   June 30, 2008, in the omnibus appropriations act, this act is null and  
4   void.

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