
Ways & Means Committee

ESB 6589

Brief Description: Requiring a direct patient-provider primary care practice services option for public employees.

Sponsors: Senators Kastama and Tom.

Brief Summary of Engrossed Bill

- Creates a pilot project within the Public Employees' Benefits Board (PEBB) programs that will offer a self-insured health plan that includes primary care services from a direct practice.
- Restricts participation in the pilot project to 2,000 or fewer members who use at least twice the PEBB median level of medical services during the prior year.

Hearing Date: 2/20/12

Staff: David Pringle (786-7310).

Background:

Legislation passed in 2007 established direct patient-provider primary health care practices (direct practices) in insurance law. Direct practices charge patients a set fee for all primary care services provided in their offices, regardless of the number of visits. No insurance plan is involved, although patients may have insurance for other services beyond primary care. The direct agreement between the patient and the provider details the direct fee and services that are to be provided. The direct practice is prevented in current law from accepting payments for services provided to any direct care patients from any regulated insurance carriers, Public Employees Benefits Board (PEBB) plans, and Basic Health plans. There are currently 24 direct practices in Washington, with approximately 10,000 patients.

The PEBB program within the Health Care Authority offers comprehensive health packages for all state and higher education employees and retirees, and their dependents. The PEBB must maintain the comprehensive nature of the benefits and maintain benefits that are substantially

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equivalent with those that were offered in 1993 when the Legislature first directed the implementation of managed competition or premium sharing.

Summary of Bill:

During calendar years 2013 and 2014, the PEBB must offer as a pilot project the option for members enrolled in a self-insured health plan to receive primary care services from a direct practice.

Enrollment in the direct practice option is restricted to members who used at least twice the median level of medical services for PEBB members during the prior plan year, except that a member already enrolled in the option may continue enrollment regardless of the member's service utilization level. Additionally, the enrollment is limited to no more than 2,000 members living in King and Pierce Counties.

The direct fee to the direct practice must be paid by the PEBB rather than the individual subscriber. The direct practice option is additional to the basic benefits provided by the self-insured plans and does not affect members' coverage for other services.

The PEBB must submit a report to the Legislature no later than November 1, 2014, describing the impact of the direct practice option on plan costs and the health of the members enrolled in the option.

The PEBB must use best efforts to inform and educate prospective enrollees of the existence and benefits of the plan. These efforts must include, but not be limited to, an invitation to direct providers eligible to participate in the plan to also participate in open enrollment meetings and other enrollee communication methods.

Direct practices may accept payment for fees paid on behalf of patients enrolled in the new health plan offered by the PEBB. The fee may vary to reflect the intensity of services associated with the enrollees in the pilot project.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 16, 2012.

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