

SENATE BILL REPORT

ESSB 6391

As Passed Senate, February 14, 2000

Title: An act relating to primary health care providers.

Brief Description: Authorizing a study to review primary care providers' payment services.

Sponsors: Senate Committee on Health & Long-Term Care (originally sponsored by Senators Thibaudeau, Deccio and Kohl-Welles).

Brief History:

Committee Activity: Health & Long-Term Care: 1/20/2000, 1/31/2000 [DPS-WM].
Ways & Means: 2/7/00; 2/8/00 [DPS HEA].
Passed Senate, 2/14/2000, 47-0.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 6391 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Thibaudeau, Chair; Wojahn, Vice Chair; Costa, Deccio, Franklin, Johnson and Winsley.

Staff: Rhoda Jones (786-7198)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6391 as recommended by Committee on Health & Long-Term Care be substituted therefor, and the substitute bill do pass.

Signed by Senators Loveland, Chair; Bauer, Vice Chair; Brown, Vice Chair; Fairley, Fraser, Honeyford, Kline, Kohl-Welles, Long, Rasmussen, Rossi, B. Sheldon, Snyder, Spanel, Winsley, Wojahn and Zarelli.

Staff: Tim Yowell (786-7435)

Background: Currently the state and federal governments have health care payment programs which recognize hospitals and clinics whose client base is mostly low-income or elderly patients. The state's disproportionate share program pays out subsidies to hospitals that serve a disproportionate number of Medicaid and other low-income clients. The "Pro-share" program provides additional payments to public hospital districts that also run nursing homes with Medicaid beds.

The state also provides payment enhancements to 26 federally qualified health clinics and 50 rural health clinics to pay for the reasonable costs of these facilities. These clinics have a client base that is predominately low-income.

There is currently no similar program for primary care providers who may not qualify for any subsidies, but whose practices are predominantly low-income or elderly clients. These providers serve Medicaid and Basic Health Plan clients through contracts with private health plans. In recent years, the number of health plans has dropped off in rural counties, reducing competition, and some say further lowering rates to rural providers. Rural providers are reporting that the payments they currently receive for their low-income clients are threatening their financial viability.

Summary of Bill: The primary care provider study is authorized. The Department of Social and Health Services and the Health Care Authority must jointly conduct a statewide study to determine payment sources for primary care providers, and from this study determine what percentage of low-income clients served by a provider constitutes a disproportionate share. When conducting the study, the agencies must consult with interested parties listed in the bill.

The agencies must report back to the Legislature by December 2000 with recommendations on possible components of a disproportionate share program for primary care providers, including potential rate adjustments.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For (Health & Long-Term Care): This study will provide the state with valuable information about which primary care providers have medical practices with a high percentage of low-income clients.

Testimony Against (Health & Long-Term Care): None.

Testified (Health & Long-Term Care): Patty Hayes, DOH (pro concept); Tom Bedell, DSHS (pro concept); Dennis Martin (pro concept); Charlotte Hardt, Laurie Wylie, WRHA (pro).

Testimony For (Ways & Means): Many providers in rural areas and those serving low-income urban areas are finding that public payment rates don't cover their costs. The study is crucial to getting payment rates to the level they need to be to keep those systems intact.

Testimony With Concerns (Ways & Means): The bill would be strengthened if a task force were required to advise the agencies on study design and recommendations.

Testified (Ways & Means): Laurie Wylie, WA Rural Health Association; Phil Watkins, MultiCare Health System.