
SUBSTITUTE HOUSE BILL 1742

State of Washington

57th Legislature

2001 Regular Session

By House Committee on Health Care (originally sponsored by Representatives Gombosky, Cox, Cody, Schual-Berke, Edwards and Santos)

Read first time 02/27/2001. Referred to Committee on .

1 AN ACT Relating to regional health care access demonstration
2 projects; adding new sections to chapter 41.05 RCW; adding a new
3 section to chapter 74.09 RCW; adding a new section to chapter 48.43
4 RCW; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that the state of
7 Washington has made significant progress towards decreasing the number
8 of persons in the state without health insurance coverage. However,
9 despite these efforts, a substantial number of persons in Washington
10 state remain uninsured. The legislature further finds that efforts are
11 currently underway in local areas to identify and implement innovative
12 approaches to increasing access to health coverage and health services
13 for low-income families and people with disabilities or chronic health
14 conditions. Some of these innovative approaches require flexibility on
15 the part of the state in its health care purchasing, administration of
16 eligibility determination and enrollment processes, or regulatory
17 activities. The legislature intends to further local efforts by
18 initiating an implementation planning process, and giving the
19 department of social and health services, the health care authority,

1 and the office of the insurance commissioner authority to waive certain
2 statutory requirements needed to grant applications for regional health
3 care access demonstration projects.

4 NEW SECTION. **Sec. 2.** (1) The health care authority shall
5 establish a regional health care access demonstration project workgroup
6 whose membership includes:

7 (a) The department of social and health services medical assistance
8 administration;

9 (b) The office of the insurance commissioner;

10 (c) The department of health;

11 (d) The health care authority;

12 (e) The office of the governor;

13 (f) Representatives of regional health care access organizations
14 who have received grant funding from either the Robert Wood Johnson
15 foundation or the federal health resources and services administration
16 for local health care system redesign and access initiatives;

17 (g) The Washington health foundation; and

18 (h) The University of Washington health policy analysis program.

19 (2) The workgroup must develop a plan to implement section 3 of
20 this act. The implementation plan shall be submitted to appropriate
21 committees of the legislature and the governor by December 15, 2001.

22 NEW SECTION. **Sec. 3.** (1) The administrator must act as the lead
23 agency for the purposes of receipt and review of grant applications for
24 regional health care access demonstration projects under the terms and
25 conditions set forth in sections 3 through 6 of this act. The review
26 panel must include representatives of the health care authority, the
27 department of social and health services, the department of health, and
28 the office of the insurance commissioner.

29 (2) The administrator, with the consent of other affected state
30 agencies, may grant regional health care access demonstration project
31 applications in up to four sites around the state. To the extent
32 necessary to implement a demonstration project, affected state agencies
33 may exercise the authority granted in sections 4 through 6 of this act.
34 The demonstration sites chosen must be representative of urban and
35 rural communities in eastern and western Washington. The demonstration
36 projects may have a duration of up to five years.

1 (3) Any application for a regional health care access demonstration
2 project under this section must:

3 (a) Be designed to improve access to health care for uninsured low-
4 income families and people with disabilities or chronic illness who
5 live in the region included in the demonstration project;

6 (b) Not make modifications in medical assistance programs or the
7 basic health plan that have the effect of disadvantaging, as a group,
8 low-income families and people with disabilities or chronic illness who
9 live in the region included in the demonstration project;

10 (c) Identify at least one goal of improved population-based health
11 status that will result from the demonstration project's efforts;

12 (d) Include proposed steps to reduce duplication and simplify
13 administration of medical assistance programs and the basic health
14 plan;

15 (e) Coordinate eligibility, enrollment, and service delivery across
16 medical assistance, the basic health plan, and other programs serving
17 low-income families and people with disabilities or chronic illness who
18 live in the region included in the demonstration project;

19 (f) Ensure the availability of an adequate number and type of
20 health care providers in any provider network sponsored by or through
21 the demonstration project; and

22 (g) Include a rigorous evaluation component. The evaluation must
23 be designed to measure:

24 (i) The per capita health care expenditures for the populations
25 targeted for coverage under the demonstration project;

26 (ii) The impact of the demonstration project upon the targeted
27 population, measured in terms of health insurance coverage, either
28 public or private, access to health services, and health status;

29 (iii) The impact of the demonstration project upon charity care
30 expenses for hospitals in the region participating in the demonstration
31 project;

32 (iv) The level of community and consumer input in the design and
33 implementation of the demonstration project; and

34 (v) The adequacy of any health care provider network sponsored by
35 or through the demonstration project.

36 (4) An entity submitting an application for a regional health care
37 access demonstration project must:

38 (a) Demonstrate the capacity to undertake the demonstration project
39 described in the application;

1 (b) Identify monetary and in-kind resources that will be brought to
2 bear in support of the demonstration project, and the source of those
3 resources;

4 (c) Demonstrate broad participation and support from the
5 communities included in the region to be covered by the demonstration
6 project. The participation should include support from health care
7 providers, social services providers, employers, carriers, local public
8 health departments or districts, city or county councils or
9 commissions, and consumers;

10 (d) Identify the means through which the demonstration project will
11 be accountable to the communities included in the region.
12 Accountability may be achieved through, but would not be limited to:
13 The lead agency of the demonstration project having a publicly elected
14 board, such as a hospital district, or a board composed of elected
15 officials, such as a local public health district; establishment of a
16 project steering committee that is broadly representative of the
17 communities included in the region; or processes for obtaining public
18 input as to the demonstration project's design and implementation on a
19 regular basis.

20 NEW SECTION. **Sec. 4.** In conjunction with granting an application
21 for a regional health care access demonstration project under section
22 3 of this act, the administrator may modify the requirements of RCW
23 70.47.060 (7) and (11) and 70.47.100 relating to basic health plan
24 contracting. In determining the extent to which modifications to
25 statutory requirements are appropriate under this section, the
26 administrator shall consider:

27 (1) The extent to which the modifications to statutory requirements
28 are necessary to carry out the regional health care access
29 demonstration project;

30 (2) The need to ensure that an adequate network of health care
31 providers is available to meet the needs of consumers served by the
32 demonstration project; and

33 (3) The need to ensure that consumers served by the demonstration
34 projects are adequately protected in the event of financial failure or
35 difficulties of any entity participating in the demonstration project.

36 NEW SECTION. **Sec. 5.** A new section is added to chapter 74.09 RCW
37 to read as follows:

1 In conjunction with granting an application for a regional health
2 care access demonstration project under section 3 of this act, the
3 department may modify the requirements of RCW 74.09.522 relating to
4 medicaid managed care contracting. In determining the extent to which
5 modifications to statutory requirements are appropriate under this
6 section, the department shall consider:

7 (1) The extent to which the modifications to statutory requirements
8 are necessary to carry out the regional health care access
9 demonstration project;

10 (2) The need to ensure that an adequate network of health care
11 providers is available to meet the needs of consumers served by the
12 demonstration project; and

13 (3) The need to ensure that consumers served by the demonstration
14 projects are adequately protected in the event of financial failure or
15 difficulties of any entity participating in the demonstration project.

16 NEW SECTION. **Sec. 6.** A new section is added to chapter 48.43 RCW
17 to read as follows:

18 In conjunction with granting an application for a regional health
19 care access demonstration project under section 3 of this act, the
20 commissioner may modify the requirements of this title relating to
21 rates, forms, and solvency. In determining the extent to which
22 modifications to statutory requirements are appropriate under this
23 section, the commissioner shall consider:

24 (1) The extent to which the modifications to statutory requirements
25 are necessary to carry out the regional health care access
26 demonstration project and will comply with the intent of this title to
27 protect consumers of health services in the state of Washington;

28 (2) The need to ensure that an adequate network of health care
29 providers is available to meet the needs of consumers served by the
30 demonstration project; and

31 (3) The need to ensure that consumers served by the demonstration
32 projects are adequately protected in the event of financial failure or
33 difficulties of any entity participating in the demonstration project.

34 NEW SECTION. **Sec. 7.** Sections 1, 3, and 4 of this act are each
35 added to chapter 41.05 RCW.

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