

HOUSE BILL REPORT

E2SHB 2549

As Amended by the Senate

Title: An act relating to establishing patient-centered primary care pilot projects.

Brief Description: Establishing patient-centered primary care pilots.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Seaquist, Lantz, Morrell, Liias, Barlow and Green).

Brief History:

Committee Activity:

Health Care & Wellness: 1/17/08, 1/24/08 [DPS];

Appropriations: 2/4/08, 2/6/08 [DP2S(w/o sub HCW)].

Floor Activity:

Passed House: 2/14/08, 94-0.

Senate Amended.

Passed Senate: 3/5/08, 47-0.

<p style="text-align: center;">Brief Summary of Engrossed Second Substitute Bill</p> <ul style="list-style-type: none">• Directs the Department of Health allow primary care providers to participate in a medical home collaborative program.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Cody, Chair; Morrell, Vice Chair; Hinkle, Ranking Minority Member; Barlow, Campbell, Green, Moeller, Pedersen, Schual-Berke and Seaquist.

Minority Report: Do not pass. Signed by 2 members: Representatives Alexander, Assistant Ranking Minority Member and Condotta.

Staff: Dave Knutson (786-7146).

HOUSE COMMITTEE ON APPROPRIATIONS

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care & Wellness. Signed by 34 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Anderson, Chandler, Cody, Conway, Darneille, Ericks, Fromhold, Grant, Green, Haigh, Hinkle, Hunt, Hunter, Kagi, Kenney, Kessler, Kretz, Linville, McDonald, McIntire, Morrell, Pettigrew, Priest, Ross, Schmick, Schual-Berke, Seaquist, Sullivan and Walsh.

Staff: Mark Matteson (786-7145).

Background:

In 2007, the Legislature enacted legislation that provided health care coverage to children with family incomes at or below 250 percent of the federal poverty level. As part of the legislation, the Department of Social and Health Services (DSHS) was directed to identify explicit performance measures that indicate that a child has an established and effective medical home and report the measures to the Legislature by December 2007. In the report, dated November 30, 2007, the DSHS workgroup recommended the adoption of the medical home definition identified in the Washington State Medical Home Fact Sheet, a concept document created by the Washington State Partnership for Medical Homes. The document provides that a medical home is "an approach to delivering primary health care through a 'team partnership' that ensures health care services are provided in a high quality and comprehensive manner."

In separate 2007 legislation, the DSHS was directed to work with the Department of Health (DOH) to design and implement medical homes for its aged, blind, and disabled clients in conjunction with chronic care management programs to improve health outcomes, access, and cost-effectiveness. The legislation provided that the approach was to build on the Washington State Collaborative Initiative, based on a systematic approach to healthcare quality improvement in which organizations test and measure practice innovations. The DOH has implemented the legislation through the Washington State Collaborative to Improve Health, in which several medical teams work to improve the quality of care delivered by their primary practice. The focus areas for the DOH Collaborative are asthma, diabetes, and hypertension for adults, and asthma, medical homes, and obesity for children.

In the same legislation, the DSHS was instructed along with the state Health Care Authority to develop a five-year plan by September 1, 2007, to change provider reimbursement protocols in order to reward quality and incorporate evidence-based standards.

The 2008 State Quality Improvement Institute is a national project that will focus on activities that help the states improve the quality of their health care system. The project is sponsored by Academy Health, an organization for health professionals, and the Commonwealth Foundation, a private foundation that seeks to promote a high-performing health care system. The State Quality Improvement Institute will be held in 2008 and will assist selected states with the conceptualization and implementation of substantial quality improvements.

Summary of Engrossed Second Substitute Bill:

The Department of Health (DOH) will establish a medical home collaborative pilot project. The pilot project will be based on the collaborative model developed to implement medical homes for addressing chronic care management programs.

The DOH will report to appropriate committees of the Legislature on the progress and outcomes of the project with an interim report by January 1, 2009 and a final report by December 31, 2011. The Health Care and the Department of Social and Health Services Authority will also report its findings on changing reimbursement for primary care and a time line for adoption of payment and provider performance strategies by January 1, 2009.

Naturopaths are included in the list of health care providers who may participate in the primary care pilot program.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment directs the Health Care Authority to develop reimbursement mechanisms to reward primary care providers participating in the medical home collaborative program. The provision that encouraged the Governor to submit a proposal to participate in the 2008 State Quality Improvement Institute is deleted.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony: (Health Care & Wellness)

(In support) Health care is too expensive and the quality of care is not good enough. The goal of this legislation is to improve quality, reduce cost, and expand access to primary care. Seventy percent of primary health care is provided through small practices of health care providers. A medical home is an approach to delivering coordinated, high quality, patient-centered health care. Small practices need support and help to develop and maintain a medical home for children and adults. Naturopaths also provide primary care and should be allowed to participate in the pilot program operated through the Health Care Authority.

(Opposed) None.

Staff Summary of Public Testimony: (Appropriations)

(In support) In order to attract more people into the primary care profession, the primary care delivery system needs to be changed. The medical home concept addresses these delivery issues. The pilot project approach in this proposal seems very reasonable. The medical home approach was first identified in legislation enacted last year. This is a good next step. The basics and operations will vary a bit depending on the practice and location.

Primary care is in trouble in the state. Fewer medical school graduates are entering primary care. In part the decline is because the practices are not very amendable to quality living, in part because of the level of pay. Primary care itself is associated with improving quality and decreasing costs in health care. This is a good way to get practices to adopt a new delivery model that will further these aspects.

While it is not uncommon for members to hear from the primary care providers in their communities that compensation is important, they value less-fragmented patient care initiatives over increased reimbursement. An increase in administrative burdens is driving up the cost of non-reimbursable costs in practices. This bill is important; we would like to see this concept broadly tested.

Our clinic is very small and works with low overhead. We believe in this model as a way to further patient-centered care. We feel some of the challenges we face as a small practice are administrative and financial. Negotiations with insurance companies are burdensome. Our clinic serves a diverse population, both economically and socially. This bill will help practices like ourselves.

Naturopathic physicians applaud this approach. We encourage patient incentives. We would like more support outside of the office, like in the case of King County's "Healthy Incentives" program.

(Opposed) None.

Persons Testifying: (Health Care & Wellness) Representative Seaquist, prime sponsor; Robert Crittenden, Primary Care Coalition; Steve Tarnoff, Group Health; Jeanne Boudrieau; Steve Albrecht and Martin Levine, Washington Academy of Family Physicians; Holly Detzler, Communities Connect; Eva Miller, Washington Association of Naturopathic Physicians; and Robby Stern, Washington State Labor Council and Healthy Washington Coalition.

Persons Testifying: (Appropriations) Representative Seaquist, prime sponsor; Melissa Weakland, Ballard Neighborhood Doctors; Bob Crittenden, Primary Care Coalition; Jonathan Bell, Ballard Neighborhood Doctors and Washington Association of Naturopathic Physicians; and Scott Plack, Group Health and Primary Care Coalition.

Persons Signed In To Testify But Not Testifying: (Health Care & Wellness) None.

Persons Signed In To Testify But Not Testifying: (Appropriations) None.