

**E2SHB 2549** - S COMM AMD

By Committee on Health & Long-Term Care

ADOPTED 03/05/2008

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that our primary care  
4 system is severely faltering and the number of people choosing primary  
5 care as a profession is decreasing dramatically. Primary care  
6 providers include family medicine and general internal medicine  
7 physicians, pediatricians, naturopathic physicians, advanced registered  
8 nurse practitioners, and physician assistants. A strong primary care  
9 system has been shown to improve health outcomes and quality and to  
10 reduce overall health system costs. To improve the health and  
11 well-being of the people in the state of Washington; enhance the  
12 recruitment, retention, performance, and satisfaction of primary  
13 providers; and control costs, our statewide system of primary care  
14 providers needs to be rapidly expanded, improved, and supported, in  
15 line with current research and professional innovations.

16 The legislature further finds that a medical home can best deliver  
17 the patient-centered approach that can manage chronic diseases, address  
18 acute illnesses, and provide effective prevention. A medical home is  
19 a place where health care is accessible and compassionate. It is built  
20 on evidence-based strategies with a team approach. Each patient  
21 receives medically necessary acute, chronic, prevention, and wellness  
22 services, as well as other medically appropriate dental and behavioral  
23 services, and community support services, all which are tailored to the  
24 individual needs of the patient. Development and maintenance of  
25 medical homes require changes in the reimbursement of primary care  
26 providers in medical home practices. There is a critical need to  
27 identify reimbursement strategies to appropriately finance this model  
28 of delivering medical care.

1        NEW SECTION.    **Sec. 2.** (1) Within funds appropriated for this  
2 purpose, and with the goal of catalyzing and providing financial  
3 incentives for the rapid expansion of primary care practices that use  
4 the medical home model, the department of health shall offer primary  
5 care practices an opportunity to participate in a medical home  
6 collaborative program, as authorized under RCW 43.70.533. Qualifying  
7 primary care practices must be willing and able to adopt and maintain  
8 medical home models, as defined by the department of social and health  
9 services in its November 2007 report to the legislature concerning  
10 implementation of chapter 5, Laws of 2007.

11        (2) The collaborative program shall be structured to promote  
12 adoption of medical homes in a variety of primary care practice  
13 settings throughout the state and consider different populations,  
14 geographic locations, including at least one location that would agree  
15 to operate extended hours, which could include nights or weekends, and  
16 other factors to allow a broad application of medical home adoption,  
17 including rural communities and areas that are medically underserved.  
18 The collaborative program shall assist primary care practices to  
19 implement the medical home requirements and provide the full complement  
20 of primary care services as established by the medical home definition  
21 in this section. Key goals of the collaborative program are to:

- 22        (a) Develop common and minimal core components to promote a  
23 reasonable level of consistency among medical homes in the state;  
24        (b) Allow for standard measurement of outcomes; and  
25        (c) Promote adoption, and use of the latest techniques in effective  
26 and cost-efficient patient-centered integrated health care.

27        Medical home collaborative participants must agree to provide data  
28 on patients' experience with the program and health outcome measures.  
29 The department of health shall consult with the Puget Sound health  
30 alliance and other interested organizations when selecting specific  
31 measures to be used by primary care providers participating in the  
32 medical home collaborative.

33        (3) The medical home collaborative shall be coordinated with the  
34 Washington health information collaborative, the health information  
35 infrastructure advisory board, and other efforts directed by RCW  
36 41.05.035. If the health care authority makes grants to primary care  
37 practices for implementation of health information technology during

1 state fiscal year 2009, it shall make an effort to make these grants to  
2 primary care providers participating in the medical home collaborative.

3 (4) The department of health shall issue an annual report to the  
4 health care committees of the legislature on the progress and outcome  
5 of the medical home collaborative. The reports shall include:

6 (a) Effectiveness of the collaborative in promoting medical homes  
7 and associated health information technology, including an assessment  
8 of the rate at which the medical home model is being adopted throughout  
9 the state;

10 (b) Identification of best practices; an assessment of how the  
11 collaborative participants have affected health outcomes, quality of  
12 care, utilization of services, cost-efficiencies, and patient  
13 satisfaction;

14 (c) An assessment of how the pilots improve primary care provider  
15 satisfaction and retention; and

16 (d) Any additional legislative action that would promote further  
17 medical home adoption in primary care settings.

18 The first annual report shall be submitted to the legislature by  
19 January 1, 2009, with the final report due to the legislature by  
20 December 31, 2011.

21 NEW SECTION. **Sec. 3.** (1) As part of the five-year plan to change  
22 reimbursement required under section 1, chapter 259, Laws of 2007, the  
23 health care authority and department of social and health services must  
24 expand their assessment on changing reimbursement for primary care to  
25 support adoption of medical homes to include medicare, other federal  
26 and state payors, and third-party payors, including health carriers  
27 under Title 48 RCW and other self-funded payors.

28 (2) The health care authority shall also collaborate with the Puget  
29 Sound health alliance, if that organization pursues a project on  
30 medical home reimbursement. The goal of the collaboration is to  
31 identify appropriate medical home reimbursement strategies and provider  
32 performance measurements for all payors, such as providing greater  
33 reimbursement rates for primary care physicians, and to garner support  
34 among payors and providers to adopt payment strategies that support  
35 medical home adoption and use.

36 (3) The health care authority shall work with providers to develop  
37 reimbursement mechanisms that would reward primary care providers

1 participating in the medical home collaborative program that  
2 demonstrate improved patient outcomes and provide activities including,  
3 but not limited to, the following:

4 (a) Ensuring that all patients have access to and know how to use  
5 a nurse consultant;

6 (b) Encouraging female patients to have a mammogram on the  
7 evidence-based recommended schedule;

8 (c) Effectively implementing strategies designed to reduce  
9 patients' use of emergency room care in cases that are not emergencies;

10 (d) Communicating with patients through electronic means; and

11 (e) Effectively managing blood sugar levels of patients with  
12 diabetes.

13 (4) The health care authority and the department of social and  
14 health services shall report their findings to the health care  
15 committees of the legislature by January 1, 2009, with a recommended  
16 timeline for adoption of payment and provider performance strategies  
17 and recommended legislative changes should legislative action be  
18 necessary.

19 NEW SECTION. **Sec. 4.** This act expires December 31, 2011.

20 NEW SECTION. **Sec. 5.** If specific funding for the purposes of this  
21 act, referencing this act by bill or chapter number, is not provided by  
22 June 30, 2008, in the omnibus appropriations act, this act is null and  
23 void."

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24 On page 1, line 2 of the title, after "projects;" strike the  
25 remainder of the title and insert "creating new sections; and providing  
26 an expiration date."

EFFECT: Requires the Health Care Authority to develop reimbursement mechanisms that would reward primary care providers participating in the medical home collaborative program.

Removes language encouraging the Governor to submit a proposal to Academy Health and the Commonwealth Fund to participate in the 2008 State Quality Improvement Institute.

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