

CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 6333

Chapter 311, Laws of 2008

60th Legislature
2008 Regular Session

HEALTH CARE REFORM--CITIZENS' WORK GROUP

EFFECTIVE DATE: 06/12/08

Passed by the Senate March 10, 2008
YEAS 28 NAYS 18

BRAD OWEN

President of the Senate

Passed by the House March 7, 2008
YEAS 63 NAYS 31

FRANK CHOPP

Speaker of the House of Representatives

Approved April 1, 2008, 3:46 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6333** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

April 2, 2008

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 6333

AS AMENDED BY THE HOUSE

Passed Legislature - 2008 Regular Session

State of Washington

60th Legislature

2008 Regular Session

By Senate Health & Long-Term Care (originally sponsored by Senators Keiser, Kohl-Welles, Marr, and McAuliffe)

READ FIRST TIME 02/08/08.

1 AN ACT Relating to the creation of a citizens' work group on health
2 care reform; creating new sections; and providing an expiration date.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that:

5 (1) In the past two decades, Washington state has implemented
6 legislative initiatives to improve access to quality, affordable health
7 care in the state. These initiatives, which placed Washington in the
8 forefront of states addressing their residents' health care needs,
9 include:

10 (a) The basic health plan providing affordable coverage to over one
11 hundred thousand individuals and families below two hundred percent of
12 the federal poverty level;

13 (b) The "cover all children" initiative, expanding publicly funded
14 coverage to children in families under three hundred percent of the
15 federal poverty level and promising to cover all children by 2010;

16 (c) The blue ribbon commission on health care costs and access
17 resulting in the passage of Engrossed Second Substitute Senate Bill No.
18 5930, that, among other actions, directed state agencies to integrate

1 prevention, chronic care management, and the medical home concept into
2 state purchased health care programs;

3 (d) The movement toward evidence-based health care purchasing for
4 state health care programs, including the prescription drug program and
5 its preferred drug list, the health technology assessment program, the
6 use of medical evidence to evaluate medical necessity under state
7 medical assistance programs and the direction provided in Engrossed
8 Second Substitute Senate Bill No. 5930 relating to aligning payment
9 with evidence-based care; and

10 (e) The development of patient safety initiatives, including health
11 care facility reporting of adverse medical events and hospital-acquired
12 infection reporting.

13 (2) Despite these initiatives, the cost of health care has
14 continued to increase at a disproportionately high rate.

15 (3) Affordability is key to accessing health care, as evidenced by
16 the fact that more than half of the uninsured people in Washington
17 state are in low-income families, and low-wage workers are far more
18 likely to be uninsured than those with higher incomes. These
19 increasing costs are placing quality care beyond the reach of a growing
20 number of Washington citizens and contributing to health care
21 expenditures that strain the resources of individuals, businesses, and
22 public programs.

23 (4) Efforts by public and private purchasers to control
24 expenditures, and the stress these efforts place on the stability of
25 the health care workforce and viability of health care facilities,
26 threaten to reduce access to quality care for all residents of the
27 state.

28 (5) Prompt action is crucial to prevent further deterioration of
29 the health and well-being of Washingtonians.

30 (6) Addressing an issue of this importance and magnitude demands
31 the full engagement of concerned Washingtonians in a reasoned
32 examination of options to improve access to quality, affordable health
33 care.

34 NEW SECTION. **Sec. 2.** The Washington citizens' work group on
35 health care reform is established.

36 (1) After January 30, 2009, the governor shall appoint nine citizen
37 members, who may include, but are not limited to, representatives from

1 business, labor, health care providers and consumer groups, and persons
2 with expertise in health care financing. The citizen members shall be
3 selected from individuals recognized for their independent judgment.
4 In addition, the majority and minority caucus in the house of
5 representatives and the majority and minority caucus in the senate
6 shall submit the names of two members of their caucus to the governor,
7 who shall select one member from each caucus to participate in the work
8 group.

9 (2) Staff support for the work group shall be provided by the
10 office of financial management. Consistent with funds appropriated
11 specifically for this purpose, two full-time staff shall be hired to
12 enable the work group to complete its responsibilities in a timely and
13 effective manner.

14 (3) The work group shall:

15 (a) Begin its deliberations by reviewing in detail the findings and
16 recommendations of the 2006 blue ribbon commission on health care costs
17 and access. The work group shall review all prior relevant studies
18 related to health care reform efforts in Washington state and consider
19 the recent health care reform experience of other states such as
20 Massachusetts, Wisconsin, and California;

21 (b) Engage Washingtonians in a public process on improving access
22 to quality, affordable health care, as described in subsection (4) of
23 this section;

24 (c) Review and develop recommendations to the governor and the
25 legislature related to the health care reform proposals in section 3 of
26 this act. In reviewing the proposals, the work group shall evaluate
27 the extent to which each proposal:

28 (i) Provides a medical home for every family;

29 (ii) Provides health care that Washington families can afford;

30 (iii) Promotes improved health outcomes, in part through a more
31 efficient delivery system;

32 (iv) Requires that individuals, employers, and government share in
33 financing the proposal; and

34 (v) Enables Washington families to choose their provider and health
35 network, and have the option of retaining their current provider.

36 (d) Through the activities outlined in this act, develop a careful
37 understanding of the essential requirements for health care reform as
38 seen by the many different primary stakeholders in Washington state.

1 (4) The work group shall design the public engagement process with
2 a goal of having structured, in-depth discussions related to:

3 (a) Trends or issues that affect affordability, access, quality,
4 and efficiency in our health care system; and

5 (b) The health care proposals described in section 3 of this act,
6 the principles guiding evaluation of the proposals, and the economic
7 analysis of the proposals.

8 The public engagement process may include, but is not limited to,
9 public forums, invitational meetings with community leaders or other
10 interested individuals and organizations, and web-based communication.

11 (5) By November 1, 2009, the work group shall submit a final report
12 to the public, the governor, and the legislature that includes a
13 summary of the information received during the public engagement
14 process, and a summary of the work group's conclusions, and
15 recommendations related to its review of the proposals, including
16 suggestions for the adoption of any health care proposal by the
17 legislature. The work group may develop its own recommended proposal or
18 proposals.

19 (6) The work group may seek other funds including private
20 contributions and in-kind donations for activities described under this
21 section.

22 This section expires December 31, 2009.

23 NEW SECTION. **Sec. 3.** (1) Consistent with funds appropriated
24 specifically for this purpose, the legislature shall contract with an
25 independent consultant with expertise in health economics and actuarial
26 science to evaluate the following health care reform proposals:

27 (a) A proposal that modifies insurance regulations in Washington
28 state to address specific groups that have lower rates of coverage,
29 such as small employers and young adults. The proposal would authorize
30 the offering of health plans that do not include mandated benefits,
31 allow health plan premiums to be adjusted to reflect the health status
32 and experience of the members of the group purchasing coverage, allow
33 carriers to pool the health risk of young adults separately from other
34 enrollees, and promote the use of high deductible health plans with
35 accompanying health savings accounts;

36 (b) A proposal that includes the components of health care reform
37 legislation enacted in Massachusetts in 2006 as Chapter 58 of the Acts

1 of 2006 - "An Act Providing Access to Affordable, Quality, Accountable
2 Health Care." The proposal assumes the inclusion of health plan design
3 features that encourage the use of preventive, primary care and
4 evidence-based services;

5 (c) A proposal to cover all Washingtonians with a comprehensive,
6 standardized benefit package. An independent entity would be
7 established to define the scope of the standardized benefit package,
8 and to undertake a competitive procurement process to offer the package
9 through private health carriers or health care provider networks, with
10 an additional fee-for-service option. The standardized benefit package
11 would be designed to include features that encourage the use of
12 preventive, primary care and evidence-based health services.
13 Washingtonians would purchase the standardized benefit package through
14 the independent entity by choosing a participating carrier, network, or
15 the fee-for-service option; and

16 (d) A proposal to establish a single payer health care system,
17 similar to the health care system in Canada in which a governmental
18 entity contracts with and pays health care providers to deliver a
19 defined package of health services to all Washingtonians.

20 (2) In addition to the evaluation of the four proposals described
21 in subsection (1) of this section, the consultant shall conduct a
22 review to validate the actuarial analysis of the insurance
23 commissioner's proposed guaranteed benefit plan prepared in 2008 at the
24 request of the insurance commissioner.

25 (3) Each evaluation shall address the impact of implementation of
26 the proposal on:

27 (a) The number of Washingtonians covered and number remaining
28 uninsured;

29 (b) The scope of coverage available to persons covered under the
30 proposal;

31 (c) The impact on affordability of health care to individuals,
32 businesses, and government;

33 (d) The redistribution of amounts currently spent by individuals,
34 businesses, and government on health, as well as any savings;

35 (e) The cost of health care as experienced throughout the state by
36 individuals and families, employees of small and large businesses,
37 businesses of all sizes, associations, local governments, public health
38 districts, and by the state;

- 1 (f) The impact on employment;
2 (g) The impact on consumer choice;
3 (h) Administrative efficiencies and resulting savings;
4 (i) The impact on hospital charity care; and
5 (j) The extent to which each proposal promotes:
6 (i) Improved health outcomes;
7 (ii) Prevention and early intervention;
8 (iii) Chronic care management;
9 (iv) Services based on empirical evidence;
10 (v) Incentives to use effective and necessary services;
11 (vi) Disincentives to discourage use of marginally effective or
12 inappropriate services; and
13 (vii) A medical home.

14 (4) To the extent that any proposal has recent, detailed analysis
15 available, the consultant shall review and may make use of the
16 available analysis.

17 (5) The results of the evaluation under this section shall be
18 submitted to the governor, the health policy committees of the
19 legislature, and the work group on or before December 15, 2008.

20 NEW SECTION. **Sec. 4.** 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.

Passed by the Senate March 10, 2008.

Passed by the House March 7, 2008.

Approved by the Governor April 1, 2008.

Filed in Office of Secretary of State April 2, 2008.