

**2SSB 5945** - H COMM AMD

By Committee on Health Care & Wellness

NOT CONSIDERED 04/16/2009

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

3 "NEW SECTION. **Sec. 1.** The legislature finds that the principles  
4 for health care reform articulated by President Obama in his proposed  
5 federal fiscal year 2010 budget to the congress of the United States  
6 provide an opportunity for the state of Washington to be both a partner  
7 with, and a model for, the federal government in its health care reform  
8 efforts.

9 NEW SECTION. **Sec. 2.** (1) The following principles shall provide  
10 guidance to the state of Washington in its health care reform  
11 deliberations:

12 (a) Guarantee choice. Provide Americans a choice of health plans  
13 and physicians. People will be allowed to keep their own doctor and  
14 their employer-based health plan.

15 (b) Make health coverage affordable. Reduce waste and fraud, high  
16 administrative costs, unnecessary tests and services, and other  
17 inefficiencies that drive up costs with no added health benefits.

18 (c) Protect families' financial health. Reduce the growing  
19 premiums and other costs American citizens and businesses pay for  
20 health care. People must be protected from bankruptcy due to  
21 catastrophic illness.

22 (d) Invest in prevention and wellness. Invest in public health  
23 measures proven to reduce cost drivers in our system, such as obesity,  
24 sedentary lifestyles, and smoking, as well as guarantee access to  
25 proven preventive treatments.

26 (e) Provide portability of coverage. People should not be locked  
27 into their job just to secure health coverage, and no American should  
28 be denied coverage because of preexisting conditions.

1 (f) Aim for universality. Put the United States on a clear path to  
2 cover all Americans.

3 (g) Improve patient safety and quality care. Ensure the  
4 implementation of proven patient safety measures and provide incentives  
5 for changes in the delivery system to reduce unnecessary variability in  
6 patient care. Support the widespread use of health information  
7 technology with rigorous privacy protections and the development of  
8 data on the effectiveness of medical interventions to improve the  
9 quality of care delivered.

10 (h) Maintain long-term fiscal sustainability. Any reform plan must  
11 pay for itself by reducing the level of cost growth, improving  
12 productivity, and dedicating additional sources of revenue.

13 (2) Over the past twenty years, both the private and public health  
14 care sectors in the state of Washington have implemented policies that  
15 are consistent with the principles in subsection (1) of this section.  
16 Most recently, the governor's blue ribbon commission on health reform  
17 agreed to recommendations that are highly consistent with those  
18 principles. Current policies in Washington state in accord with those  
19 principles include:

20 (a) With respect to aiming for universality and access to a choice  
21 of affordable health care plans and health care providers:

22 (i) The Washington basic health plan offers affordable health  
23 coverage to low-income families and individuals in Washington state  
24 through a choice of private managed health care plans and health care  
25 providers;

26 (ii) Apple health for kids will achieve its dual goals that every  
27 child in Washington state have health care coverage by 2010 and that  
28 the health status of children in Washington state be improved. Only  
29 four percent of children in Washington state lack health insurance, due  
30 largely to efforts to expand coverage that began in 1993;

31 (iii) Through the health insurance partnership program, Washington  
32 state has designed the infrastructure for a health insurance exchange  
33 for small employers that would give employers and employees a choice of  
34 private health benefit plans and health care providers, offer  
35 portability of coverage and provide a mechanism to offer premium  
36 subsidies to low-wage employees of these employers;

37 (iv) Purchasers, insurance carriers, and health care providers are  
38 working together to significantly reduce health care administrative

1 costs. These efforts have already produced efficiencies, and will  
2 continue through the activities provided in Substitute House Bill No.  
3 1647 and Second Substitute Senate Bill No. 5346, if enacted by the 2009  
4 legislature; and

5 (v) Over one hundred thousand Washingtonians have enrolled in the  
6 state's discount prescription drug card program, saving consumers over  
7 six million dollars in prescription drug costs since February 2007,  
8 with an average discount of twenty-two dollars or forty-three percent  
9 of the price of each prescription filled.

10 (b) With respect to improving patient safety and quality of care  
11 and investing in prevention and wellness, the public and private health  
12 care sectors are engaged in numerous nationally recognized efforts:

13 (i) The Puget Sound health alliance is a national leader in  
14 identifying evidence-based health care practices, and reporting to the  
15 public on health care provider performance with respect to these  
16 practices. Many of these practices address disease prevention and  
17 management of chronic illness;

18 (ii) The Washington state health technology assessment program and  
19 prescription drug program use medical evidence and independent clinical  
20 advisors to guide the purchasing of clinically and cost-effective  
21 health care services by state-purchased health care programs;

22 (iii) Washington state's health record bank pilot projects are  
23 testing a new model of patient controlled electronic health records in  
24 three geographic regions of the state. The state has also provided  
25 grants to a number of small provider practices to help them implement  
26 electronic health records;

27 (iv) Efforts are underway to ensure that the people of Washington  
28 state have a medical home, with primary care providers able to  
29 understand their needs, meet their care needs effectively, better  
30 manage their chronic illnesses, and coordinate their care across the  
31 health care system. These efforts include group health cooperative of  
32 Puget Sound's medical home projects, care collaboratives sponsored by  
33 the state department of health, state agency chronic care management  
34 pilot projects; development of apple health for kids health improvement  
35 measures as indicators of children having a medical home, and  
36 implementation of medical home reimbursement pilot projects under  
37 Substitute Senate Bill No. 5891 and Second Substitute House Bill No.  
38 2114, if enacted by the 2009 legislature; and

1 (v) Health care providers, purchasers, the state, and private  
2 quality improvement organizations are partnering to undertake numerous  
3 patient safety efforts, including hospital and ambulatory surgery  
4 center adverse events reporting, with root cause analysis to identify  
5 actions to be undertaken to prevent further adverse events; reporting  
6 of hospital acquired infections and undertaking efforts to reduce the  
7 rate of these infections; developing a surgical care outcomes  
8 assessment program that includes a presurgery checklist to reduce  
9 medical errors, and developing a patient decision aid pilot to more  
10 fully inform patients of the risks and benefits of treatment  
11 alternatives, decrease unnecessary procedures and variation in care,  
12 and provide increased legal protection to physicians whose patients use  
13 a patient decision aid to provide informed consent.

14 NEW SECTION. **Sec. 3.** (1) Beginning October 1, 2009, the governor  
15 shall convene quarterly meetings of the Washington health partnership  
16 advisory group. The advisory group will review progress and provide  
17 input related to further actions that can be taken in both the public  
18 and private sectors to implement the principles stated in section 2 of  
19 this act and the findings of the governor's blue ribbon commission on  
20 health reform. The membership of the advisory group shall include:

21 (a) Two members of the house of representatives and two members of  
22 the senate, representing the majority and minority caucuses of each  
23 body;

24 (b) The insurance commissioner;

25 (c) The secretary of the department of social and health services,  
26 the administrator of the health care authority, the director of the  
27 department of labor and industries, and the director of the office of  
28 financial management;

29 (d) Members of the forum, the Puget Sound health alliance, and the  
30 healthy Washington coalition, who will ensure that the perspectives of  
31 employers, providers, health carriers, labor organizations, and  
32 consumers are actively involved in the group.

33 (2) The advisory group shall monitor the status and outcomes of  
34 activities at the state level with respect to their impact on access to  
35 affordable health care, cost containment and quality of care including,  
36 but not limited to:

37 (a) The programs and efforts described in section 2(2) of this act;

1 (b) Medicaid waivers submitted under sections 4 and 5 of this act;  
2 and

3 (c) Efforts to consolidate state health purchasing and streamline  
4 administration of the purchasing.

5 (3) The advisory group shall monitor the progress of health care  
6 reform legislation at the federal level, with the goal of aligning  
7 state health care activities so that the state is poised to participate  
8 in federal health care reform. If federal legislation is enacted that  
9 offers states the opportunity to undertake health care reform  
10 demonstration efforts, the governor, with the advice of the group  
11 established under this section, should actively seek to participate as  
12 a demonstration site.

13 (4) In its deliberations, the advisory group shall consider recent  
14 reports that have analyzed various health care reform proposals in  
15 Washington state.

16 NEW SECTION. **Sec. 4.** (1) The department shall submit a section  
17 1115 demonstration waiver request to the federal department of health  
18 and human services to expand and revise the medical assistance program  
19 as codified in Title XIX of the federal social security act. The  
20 waiver request should be designed to ensure the broadest federal  
21 financial participation under Title XIX and XXI of the federal social  
22 security act. To the extent permitted under federal law, the waiver  
23 request should include the following components:

24 (a) Establishment of a single eligibility standard for low-income  
25 persons, including expansion of categorical eligibility to include  
26 childless adults. The department shall request that the single  
27 eligibility standard be phased in such that incremental steps are taken  
28 to cover additional low-income parents and individuals over time, with  
29 the goal of offering coverage to persons with household income at or  
30 below two hundred percent of the federal poverty level;

31 (b) Establishment of a single seamless application and eligibility  
32 determination system for all state low-income medical programs included  
33 in the waiver. Applications may be electronic and may include an  
34 electronic signature for verification and authentication. Eligibility  
35 determinations should maximize federal financing where possible;

36 (c) The delivery of all low-income coverage programs as a single  
37 program, with a common core benefit package that may be similar to the

1 basic health benefit package or an alternative benefit package approved  
2 by the secretary of the federal department of health and human  
3 services, including the option of supplemental coverage for select  
4 categorical groups, such as children, and individuals who are aged,  
5 blind, and disabled;

6 (d) A program design to include creative and innovative approaches  
7 such as: Coverage for preventive services with incentives to use  
8 appropriate preventive care; enhanced medical home reimbursement and  
9 bundled payment methodologies; cost-sharing options; use of care  
10 management and care coordination programs to improve coordination of  
11 medical and behavioral health services; application of an innovative  
12 predictive risk model to better target care management services; and  
13 mandatory enrollment in managed care, as may be necessary;

14 (e) The ability to impose enrollment limits or benefit design  
15 changes for eligibility groups that were not eligible under the Title  
16 XIX state plan in effect on the date of submission of the waiver  
17 application;

18 (f) A premium assistance program whereby employers can participate  
19 in coverage options for employees and dependents of employees otherwise  
20 eligible under the waiver. The waiver should make every effort to  
21 maximize enrollment in employer-sponsored health insurance when it is  
22 cost-effective for the state to do so, and the purchase is consistent  
23 with the requirements of Titles XIX and XXI of the federal social  
24 security act. To the extent allowable under federal law, the  
25 department shall require enrollment in available employer-sponsored  
26 coverage as a condition of eligibility for coverage under the waiver;  
27 and

28 (g) The ability to share savings that might accrue to the federal  
29 medicare program, Title XVIII of the federal social security act, from  
30 improved care management for persons who are eligible for both medicare  
31 and medicaid. Through the waiver application process, the department  
32 shall determine whether the state could serve, directly or by contract,  
33 as a medicare special needs plan for persons eligible for both medicare  
34 and medicaid.

35 (2) The department shall hold ongoing stakeholder discussions as it  
36 is developing the waiver request, and provide opportunities for public  
37 review and comment as the request is being developed.

1 (3) The department and the health care authority shall identify  
2 statutory changes that may be necessary to ensure successful and timely  
3 implementation of the waiver request as submitted to the federal  
4 department of health and human services as the apple health program for  
5 adults.

6 (4) The legislature must authorize implementation of any waiver  
7 approved by the federal department of health and human services under  
8 this section.

9 NEW SECTION. **Sec. 5.** The department shall continue to submit  
10 applications for the family planning waiver program.

11 (1) The department shall submit a request to the federal department  
12 of health and human services to amend the current family planning  
13 waiver program as follows:

14 (a) Provide coverage for sexually transmitted disease testing and  
15 treatment;

16 (b) Return to the eligibility standards used in 2005 including, but  
17 not limited to, citizenship determination based on declaration or  
18 matching with federal social security databases, insurance eligibility  
19 standards comparable to 2005, and confidential service availability for  
20 minors and survivors of domestic and sexual violence; and

21 (c) Increase income eligibility to two hundred fifty percent of the  
22 federal poverty level, to correspond with income eligibility for  
23 publicly funded maternity care services.

24 (2) The implementation of subsection (1)(c) of this section is  
25 subject to funds provided specifically for this purpose.

26 NEW SECTION. **Sec. 6.** Sections 2 and 3 of this act are each added  
27 to chapter 43.06 RCW.

28 NEW SECTION. **Sec. 7.** Sections 4 and 5 of this act are each added  
29 to chapter 74.09 RCW."

30 Correct the title.

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