

**E2SHB 2572** - S COMM AMD  
By Committee on Health Care

OUT OF ORDER 03/13/2014

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

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that the state of  
4 Washington has an opportunity to transform its health care delivery  
5 system.

6 (2) The state health care innovation plan establishes the following  
7 primary drivers of health transformation, each with individual key  
8 actions that are necessary to achieve the objective:

9 (a) Improve health overall by stressing prevention and early  
10 detection of disease and integration of behavioral health;

11 (b) Developing linkages between the health care delivery system and  
12 community; and

13 (c) Supporting regional collaboratives for communities and  
14 populations, improve health care quality, and lower costs.

15 NEW SECTION. **Sec. 2.** (1) The health care authority is responsible  
16 for coordination, implementation, and administration of interagency  
17 efforts and local collaborations of public and private organizations to  
18 implement the state health care innovation plan.

19 (2) Prior to the authority submitting a grant application for  
20 innovation plan funding, the authority must consult a neutral actuarial  
21 firm not currently contracted with the agency to review the estimated  
22 savings with the innovation plan prior to application submission. The  
23 plan and the actuarial information must be presented to the joint  
24 select committee on health care oversight, including the scope and  
25 details of the grant application and any request for proposal, prior to  
26 an application submission. The joint committee must approve the  
27 application prior to submission.

28 (3) The grant application cannot commit the state to any financial  
29 obligations beyond the actual grant award amount.

1 (4) In the event a grant is awarded, the agency must come before  
2 the joint committee and seek approval for the implementation of the  
3 plan included in the grant application. The agency must provide  
4 quarterly updates and status reports on the implementation effort to  
5 the joint committee.

6 (5) All required federal reporting related to a grant award must be  
7 shared with the joint committee at the same time it is submitted to the  
8 federal government.

9 (6) By January 1, 2015, and January 1st of each year through  
10 January 1, 2019, the health care authority shall coordinate and submit  
11 a status report to the appropriate committees of the legislature  
12 regarding implementation of the innovation plan. The report must  
13 summarize any actions taken to implement the innovation plan, progress  
14 toward achieving the aims of the innovation plan, and anticipated  
15 future implementation efforts. In addition, the health care authority  
16 shall submit any recommendations for legislation necessary to implement  
17 the innovation plan.

18 NEW SECTION. **Sec. 3.** (1) The joint select committee on health  
19 care oversight is established in statute, continuing the committee  
20 created in Engrossed Substitute Senate Concurrent Resolution No. 8401  
21 passed in 2013.

22 (2) The membership of the joint select committee on health care  
23 oversight must consist of the following: (a) The chairs of the health  
24 care committees of the senate and the house of representatives, who  
25 must serve as cochairs; (b) four additional members of the senate, two  
26 each appointed by the leadership of the two largest political parties  
27 in the senate; and (c) four additional members of the house of  
28 representatives, two each appointed by the leadership of the two  
29 largest political parties in the house of representatives. The  
30 governor must be invited to appoint, as a liaison to the joint select  
31 committee, a person who must be a nonvoting member.

32 (3) The joint select committee on health care oversight must  
33 provide oversight between the health care authority, health benefit  
34 exchange, the office of the insurance commissioner, the department of  
35 health, and the department of social and health services. The goal  
36 must be to ensure that these entities are not duplicating their efforts

1 and are working toward a goal of increased quality of services which  
2 will lead to reduced costs to the health care consumer.

3 (4) The joint select committee on health care oversight must, as  
4 necessary, propose legislation to the health care committees and budget  
5 recommendations to the ways and means committees of the legislature  
6 that aids in their coordination of activities and that leads to better  
7 quality and cost savings.

8 (5) The joint select committee on health care oversight expires on  
9 December 31, 2022.

10 NEW SECTION. **Sec. 4.** A new section is added to chapter 41.05 RCW  
11 to read as follows:

12 (1) A community of health is a regionally based, voluntary  
13 collaborative. The purpose of the collaborative is to align actions to  
14 achieve healthy communities and populations, improve health care  
15 quality, and lower costs. "Communities of health" is a term used to  
16 recognize entities that are currently active and those that may become  
17 active that perform the functions described in this section. This term  
18 is used only to assist in directing funding or other support that may  
19 be available to these local entities. The designation of an entity as  
20 a community of health is not intended to create an additional  
21 government entity.

22 (2) By September 1, 2014, the authority shall establish boundaries  
23 for up to nine regions for accountable collaboratives for health as  
24 provided in this subsection. Counties, through the Washington state  
25 association of counties, must be given the opportunity to propose the  
26 boundaries of the regions. The boundaries must be based on county  
27 borders and must be consistent with medicaid procurement regions.

28 (3) The authority shall develop a process for designating an entity  
29 as a community of health. An entity seeking designation is eligible  
30 if:

31 (a) It is a nonprofit or public-private partnership;

32 (b) Its membership is broad and incorporates key stakeholders, such  
33 as the long-term care system, the health care delivery system,  
34 behavioral health, social supports and services, primary care and  
35 specialty providers, hospitals, consumers, small and large employers,  
36 health plans, and public health, with no single entity or  
37 organizational cohort serving in a majority capacity; and

1 (c) It demonstrates an ongoing capacity to:

2 (i) Lead health improvement activities within the region with other  
3 local systems to improve health outcomes and the overall health of the  
4 community, improve health care quality, and lower costs; and

5 (ii) Distribute tools and resources from the health extension  
6 program created in section 7 of this act.

7 (4) The authority may designate more than one community of health  
8 in any region that consists of more than one county, but the community  
9 of health may not cross the regional boundaries defined by the  
10 authority or overlap with another community of health.

11 (5) An entity designated by the authority as a community of health  
12 must convene key stakeholders to:

13 (a) Review existing data, including data collected through the  
14 community health assessment process;

15 (b) Assess the region's capacity to address chronic care needs;

16 (c) Review available funding and resources; and

17 (d) Identify and prioritize or reaffirm regional health care needs  
18 and prevention strategies and develop a plan or use an existing plan to  
19 address those needs.

20 (6) For purposes of this section and section 5 of this act, the  
21 authority may only adopt rules that are necessary to implement this  
22 section and section 5 of this act.

23 NEW SECTION. **Sec. 5.** A new section is added to chapter 41.05 RCW  
24 to read as follows:

25 (1) The authority shall, subject to the availability of amounts  
26 appropriated or grants received for this specific purpose, award grants  
27 to support the development of a community of health. Grants may only  
28 be used for start-up costs.

29 (2) An entity may be eligible for a grant under this section once  
30 designated in section 4 of this act. A grant application must, at a  
31 minimum:

32 (a) Identify the geographic region served by the applicant;

33 (b) Demonstrate how the applicant's structure and operation; and

34 (c) Indicate the size of the grant being requested and describe how  
35 the money will be spent.

36 (3) In awarding grants under this section, the authority shall  
37 consider the extent to which the applicant will:

1 (a) Base decisions on public input and an active collaboration  
2 among key community partners, including, but not limited to, local  
3 governments, housing providers, school districts, early learning  
4 regional coalitions, large and small businesses, labor organizations,  
5 health and human service organizations, tribal governments, health  
6 carriers, providers, hospitals, public health agencies, and consumers;

7 (b) Match the grant funding with funds from other sources; and

8 (c) Demonstrate capability for sustainability without reliance on  
9 state general fund appropriations.

10 (4) The authority may prioritize applications that commit to  
11 providing at least one dollar in matching funds for each grant dollar  
12 awarded.

13 (5) Before grant funds are disbursed, the authority and the  
14 applicant must agree on performance requirements.

15 NEW SECTION. **Sec. 6.** A new section is added to chapter 41.05 RCW  
16 to read as follows:

17 Any entity designated as a community of health pursuant to sections  
18 4 and 5 of this act shall submit a report to the appropriate committees  
19 of the legislature and the authority beginning December 1, 2015, and  
20 December 1st of each year through December 1, 2019. The report must:

21 (1) Describe the regional health care needs identified by the  
22 entity and key stakeholders including the plan to address needs,  
23 actions taken by the plan, and any measurable progress toward meeting  
24 those needs;

25 (2) Identify any grant funds received by the entity pursuant to  
26 section 5 of this act; and

27 (3) For the final report, demonstrate the entity's capability for  
28 sustainability without reliance on state general fund appropriations.

29 NEW SECTION. **Sec. 7.** A new section is added to chapter 43.70 RCW  
30 to read as follows:

31 (1) Subject to the availability of amounts appropriated for this  
32 specific purpose, the department shall establish a health extension  
33 program to provide training, tools, and technical assistance to primary  
34 care, behavioral health, and other providers. The program must  
35 emphasize high quality preventive, chronic disease, and behavioral  
36 health care that is comprehensive and evidence-based.

1 (2) The health extension program must coordinate dissemination of  
2 evidence-based tools and resources that promote:

- 3 (a) Integration of physical and behavioral health;
- 4 (b) Clinical decision support to promote evidence-based care;
- 5 (c) Methods of formal assessment;
- 6 (d) Support for patients managing their own conditions; and
- 7 (e) Identification and use of resources that are available in the  
8 community for patients and their families, including community health  
9 workers.

10 (3) The department may adopt rules necessary to implement this  
11 section, but may not adopt rules, policies, or procedures beyond the  
12 scope of authority granted in this section.

13 NEW SECTION. **Sec. 8.** A new section is added to chapter 74.09 RCW  
14 to read as follows:

15 (1) The authority and the department shall restructure medicaid  
16 procurement of health care services and agreements with managed care  
17 systems on a phased basis to better support integrated physical health,  
18 mental health, and chemical dependency treatment. By January 1, 2019,  
19 medicaid services provided under this chapter and chapters 71.24,  
20 71.36, and 70.96A RCW may be fully integrated in a managed health care  
21 system that provides mental health, chemical dependency, and medical  
22 care services to medicaid clients. The authority and the department  
23 may develop and utilize innovative mechanisms to promote and sustain  
24 integrated clinical models of physical and behavioral health care.

25 (2) The authority and the department may incorporate the following  
26 principles into future medicaid procurement efforts aimed at  
27 integrating the delivery of physical and behavioral health services:

28 (a) Medicaid purchasing must support delivery of integrated,  
29 person-centered care that addresses the spectrum of individuals' health  
30 needs in the context of the communities in which they live and with the  
31 availability of care continuity as their health needs change;

32 (b) Accountability for the client outcomes established in RCW  
33 43.20A.895 and 71.36.025 and performance measures linked to those  
34 outcomes;

35 (c) Medicaid benefit design must recognize that adequate preventive  
36 care, crisis intervention, and support services promote a recovery-  
37 focused approach;

1 (d) Evidence-based care interventions and continuous quality  
2 improvement must be enforced through contract specifications and  
3 performance measures that provide meaningful integration at the patient  
4 care level with broadly distributed accountability for results;

5 (e) Active purchasing and oversight of medicaid managed care  
6 contracts is a state responsibility;

7 (f) A deliberate and flexible system change plan with identified  
8 benchmarks to promote system stability, provide continuity of treatment  
9 for patients, and protect essential existing behavioral health system  
10 infrastructure and capacity; and

11 (g) Community and organizational readiness are key determinants of  
12 implementation timing; a phased approach is therefore desirable.

13 (3) The principles identified in subsection (2) of this section are  
14 not intended to create an individual entitlement to services.

15 NEW SECTION. **Sec. 9.** Section 3 of this act constitutes a new  
16 chapter in Title 44 RCW.

17 NEW SECTION. **Sec. 10.** Sections 4 through 6 of this act expire  
18 July 1, 2020."

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19 On page 1, line 5 of the title, after "supports" strike the  
20 remainder of the title and insert "adding new sections to chapter 41.05  
21 RCW; adding a new section to chapter 43.70 RCW; adding a new section to  
22 chapter 74.09 RCW; adding a new chapter to Title 44 RCW; creating new  
23 sections; and providing an expiration date."

EFFECT: Modifies intent section.

Removes all references to the all-payer claims database and related data protections.

HCA must have a neutral actuarial firm review the estimated savings in the innovation plan prior to application.

Before the HCA applies for a federal innovation grant, the application and actuarial review must be presented to the Joint Select Committee on Health Care Oversight for review and approval.

If an innovation grant is awarded, HCA must come before the Joint Committee and seek approval for implementation of the plan, and the agency must provide quarterly status reports to the Joint Committee.

All required federal reporting related to the grant award must be shared with the Joint Committee at the same time it is submitted to the federal government.

The Joint Select Committee on Health Care Oversight is established in statute, and continued to December 31, 2022 (from December 31, 2017, established in Engrossed Substitute Senate Concurrent Resolution No. 8401, in 2013).

Changes the "accountable collaborative for health" to "community of health" and modifies some components for the community of health grant criteria and reporting requirements.

Modifies the elements the Health Extension Program disseminates to providers, and removes the reference to contract limitations.

Removes the performance measures committee to recommend statewide measures and benchmarks.

Modifies the Medicaid purchasing, changing the integration of behavioral health from shall to may, modifies guiding principles and makes them permissive.

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