CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 6228

Chapter 224, Laws of 2014

(partial veto)

63rd Legislature
2014 Regular Session

HEALTH CARE COSTS AND QUALITY--CONSUMER INFORMATION

EFFECTIVE DATE: 06/12/14

Passed by the Senate March 10, 2014
YEAS 49  NAYS 0

BRAD OWEN
President of the Senate

Passed by the House March 7, 2014
YEAS 91  NAYS 6

FRANK CHOPP
Speaker of the House of Representatives

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is ENGROSSED SUBSTITUTE SENATE BILL 6228 as passed by the Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN
Secretary

Approved April 4, 2014, 3:02 p.m., with the exception of Section 2 which is vetoed.

JAY INSLEE
Governor of the State of Washington

FILED
April 4, 2014

Secretary of State
State of Washington
AN ACT Relating to transparency tools for consumer information on health care cost and quality; adding a new section to chapter 41.05 RCW; adding a new section to chapter 48.43 RCW; and creating a new section.

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

NEW SECTION. Sec. 1. Consumers face a challenge finding reliable, consumer friendly information on health care pricing and quality. Greater transparency of health care prices and quality leads to engaged, activated consumers. Research indicates that engaged and educated consumers help control costs and improve quality with lower costs per patient, lower hospital readmission rates, and the use of higher quality providers. Washington is a leader in efforts to develop and publish provider quality information.

Although data is available today, research indicates the existing information is not user friendly, consumers do not know which measures are most relevant, and quality ratings are inconsistent or nonstandardized. It is the intent of the legislature to ensure consumer tools are available to educate and engage patients in managing their care and understanding the costs and quality.
*NEW SECTION. Sec. 2. A new section is added to chapter 41.05 RCW to read as follows:

(1) There is created a performance measures committee, the purpose of which is to identify and recommend standard statewide measures of health performance to inform public and private health care purchasers and to propose benchmarks to track costs and improvements in health outcomes.

(2) Members of the committee must include representation from state agencies, small and large employers, the two largest health plans by enrollment, patient groups, federally recognized tribal members, consumers, academic experts on health care measurement, hospitals, physicians, and other providers. The governor shall appoint the members of the committee, except that a statewide association representing hospitals may appoint a member representing hospitals, a statewide association representing physicians may appoint a member representing physicians, and a statewide association representing nurses may appoint a member representing nurses. The governor shall ensure that members represent diverse geographic locations and both rural and urban communities. The committee must be chaired by the director of the authority.

(3) The committee shall develop a transparent process for selecting performance measures, and the process must include opportunities for public comment.

(4) By January 1, 2015, the committee shall submit the performance measures to the authority. The measures must include dimensions of:

(a) Prevention and screening;
(b) Effective management of chronic conditions;
(c) Key health outcomes;
(d) Care coordination and patient safety; and
(e) Use of the lowest cost, highest quality care for preventive care and chronic and acute conditions.

(5) The committee shall develop a measure set that:

(a) Is of manageable size;
(b) Gives preference to nationally reported measures and, where nationally reported measures may not be appropriate or available, measures used by state agencies that purchase health care or commercial health plans;
(c) Focuses on the overall performance of the system, including outcomes and total cost;

(d) Is aligned with the governor's performance management system measures and common measure requirements specific to medicaid delivery systems under RCW 70.320.020 and 43.20A.895;

(e) Considers the needs of different stakeholders and the populations served; and

(f) Is usable by multiple payers, providers, hospitals, purchasers, public health, and communities as part of health improvement, care improvement, provider payment systems, benefit design, and administrative simplification for providers and hospitals.

(6) State agencies shall use the measure set developed under this section to inform and set benchmarks for their purchasing.

(7) The committee shall establish a public process to periodically evaluate the measure set and make additions or changes to the measure set as needed.

*Sec. 2 was vetoed. See message at end of chapter.*

NEW SECTION. Sec. 3. A new section is added to chapter 48.43 RCW to read as follows:

(1) Each carrier offering or renewing a health benefit plan on or after January 1, 2016, must offer member transparency tools with certain price and quality information to enable the member to make treatment decisions based on cost, quality, and patient experience. The transparency tools must aim for best practices and, at a minimum:

(a) Must display cost data for common treatments within the following categories:

(i) In-patient treatments;

(ii) Outpatient treatments;

(iii) Diagnostic tests; and

(iv) Office visits;

(b) Recognizing integrated health care delivery systems focus on total cost of care, carrier's operating integrated care delivery systems may meet the requirement of (a) of this subsection by providing meaningful consumer data based on the total cost of care. This subsection applies only to the portion of enrollment a carrier offers pursuant to chapter 48.46 RCW and as part of an integrated delivery system, and does not exempt from (a) of this subsection coverage
offered pursuant to chapter 48.21, 48.44, or 48.46 RCW if not part of an integrated delivery system;

(c) Are encouraged to display the cost for prescription medications on their member website or through a link to a third party that manages the prescription benefits;

(d) Must include a patient review option or method for members to provide a rating or feedback on their experience with the medical provider that allows other members to see the patient review, the feedback must be monitored for appropriateness and validity, and the site may include independently compiled quality of care ratings of providers and facilities;

(e) Must allow members to access the estimated cost of the treatment, or the total cost of care, as set forth in (a) and (b) of this subsection on a portable electronic device;

(f) Must display options based on the selected search criteria for members to compare;

(g) Must display the estimated cost of the treatment, or total cost of the care episode, and the estimated out-of-pocket costs of the treatment for the member and display the application of personalized benefits such as deductibles and cost-sharing;

(h) Must display quality information on providers when available; and

(i) Are encouraged to display alternatives that are more cost-effective when there are alternatives available, such as the use of an ambulatory surgical center when one is available or medical versus surgical alternatives as appropriate.

(2) In addition to the required features on cost and quality information, the member transparency tools must include information to allow a provider and hospital search of in-network providers and hospitals with provider information including specialists, distance from patient, the provider's contact information, the provider's education, board certification and other credentials, where to find information on malpractice history and disciplinary actions, affiliated hospitals and other providers in a clinic, and directions to provider offices and hospitals.

(3) Each carrier offering or renewing a health benefit plan on or after January 1, 2016, must provide enrollees with the performance information required by section 2717 of the patient protection and
affordable care act, P.L. 111-148 (2010), as amended by the health care and education reconciliation act, P.L. 111-152 (2010), and any federal regulations or guidance issued under that section of the affordable care act.

(4) Each carrier offering or renewing a health benefit plan on or after January 1, 2016, must, within thirty days from the offer or renewal date, attest to the office of the insurance commissioner that the member transparency tools meet the requirements in this section and access to the tools is available on the home page within the health plan's secured member web site.

Passed by the Senate March 10, 2014.
Passed by the House March 7, 2014.
Approved by the Governor April 4, 2014, with the exception of certain items that were vetoed.
Filed in Office of Secretary of State April 4, 2014.

Note: Governor's explanation of partial veto is as follows:
"I am returning herewith, without my approval as to Section 2, Engrossed Substitute Senate Bill No. 6228 entitled:

"AN ACT Relating to transparency tools for consumer information on health care cost and quality."

This bill requires that by 2016 health insurance carriers offer their members a host of good on-line tools with certain health care price and quality information. It complements my requested innovative health care purchasing bill, HB 2572. Together, I hope these bills help to transform the marketplace to make health care more affordable for Washingtonians.

Section 2 is an amendment to the original bill that includes nearly identical language as a section in HB 2572. This creates an unnecessary duplication in the law. In addition, the section in HB 2572 includes language that corresponds to the other health care purchasing innovations, so it is preferable to keep that language.

For these reasons I have vetoed Section 2 of Engrossed Substitute Senate Bill No. 6228.

With the exception of Section 2, Engrossed Substitute Senate Bill No. 6228 is approved."