

# SENATE BILL REPORT

## E2SHB 1358

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As Passed Senate - Amended, April 12, 2017

**Title:** An act relating to reimbursement for services provided pursuant to community assistance referral and education services programs.

**Brief Description:** Concerning reimbursement for services provided pursuant to community assistance referral and education services programs.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Griffey and Cody).

**Brief History:** Passed House: 3/01/17, 92-6.

**Committee Activity:** Health Care: 3/13/17, 3/20/17 [DP-WM, w/oRec].

Ways & Means: 3/31/17, 4/04/17 [DPA].

**Floor Activity:**

Passed Senate - Amended: 4/12/17, 49-0.

### Brief Summary of Bill (As Amended by Senate)

- Directs the Health Care Authority (HCA) to adopt reimbursement standards for fire departments providing covered health care services to Medicaid clients who do not require ambulance transport to an emergency department.
- Directs the Joint Legislative Audit and Review Committee to conduct a cost-effectiveness review of the reimbursement standards for fire departments.
- Requires the Department of Health (DOH) to review the certification and training of health professionals participating in a CARES program, to review the requirements of other states with similar programs, and to link the certification requirements with the covered services recommended for payment by the HCA.

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### SENATE COMMITTEE ON HEALTH CARE

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Signed by Senators Rivers, Chair; Cleveland, Ranking Minority Member; Kuderer, Assistant Ranking Minority Member; Bailey, Conway, Keiser, Miloscia, Mullet, O'Ban and Walsh.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Becker, Vice Chair.

**Staff:** Mich'l Needham (786-7442)

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## SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass as amended.

Signed by Senators Braun, Chair; Brown, Vice Chair; Ranker, Ranking Minority Member; Rolfes, Assistant Ranking Minority Member, Operating Budget; Frockt, Assistant Ranking Minority Member, Capital Budget; Bailey, Becker, Billig, Carlyle, Conway, Darneille, Fain, Hasegawa, Keiser, Miloscia, Padden, Pedersen, Rivers, Schoesler, Warnick and Zeiger.

**Staff:** Sandy Stith (786-7710)

**Background:** Fire departments may establish community assistance referral and education services (CARES) programs. A CARES program provides community outreach and assistance to residents to improve population health and promote injury and illness prevention. A CARES program identifies members of the community who use the 911 system or emergency departments for nonemergency or non-urgent assistant calls. A CARES program connects residents with health care professionals, low-cost medication programs, and social services. A CARES program must measure reductions in the repeated use of the 911 system and any associated reductions in avoidable emergency department trips.

Fire departments may fund CARES programs through grants and private gifts. The term fire departments includes city and town fire departments, fire protection districts, regional fire protection service authorities, emergency medical service providers that levy a tax, and federally recognized Indian tribes.

The programs may hire health care professionals to perform the services. The health care professionals may include emergency medical technicians, advanced emergency medical technicians, and paramedics if they are trained and certified to provide the service and they practice under the supervision and direction of a medical program director.

**Summary of Amended Bill:** The Health Care Authority (HCA) must adopt reimbursement standards for fire departments providing covered health care services through a CARES program to Medicaid clients who do not require ambulance transport to an emergency department. In addition to grants and private gifts, fire departments may fund a CARES program through the establishment and collection of reasonable charges, if approved by resolution or ordinance.

The term fire department is expanded to include entities that are eligible to impose an emergency medical care and services levy, rather than only those entities that actually impose such a levy.

By December 1, 2021, the Joint Legislative Audit and Review Committee (JLARC), in consultation with the HCA, must conduct a cost-effectiveness review of the reimbursement standards and submit the results to the fiscal and health policy committees of the Legislature. The review must compare the amount paid to fire departments under the reimbursement standards to the amount that would have been paid if the services had been provided in a different setting. The review must identify any savings from the reimbursement standards and make recommendations to reduce the potential for excessive billing or billing for unnecessary services. If the review finds that the reimbursement standards have not resulted in savings to medical assistance programs, the JLARC must recommend the repeal of the standards.

The Department of Health (DOH) is required to review the certification and training of health professionals participating in a CARES program, to review the requirements of other states with similar programs, and to link the certification requirements with the covered services recommended for payment by the HCA. The DOH must submit recommendations to the Legislature within six months of the development of payment standards.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

**Staff Summary of Public Testimony on Engrossed Second Substitute House Bill (Health Care):** PRO: We have been running this community services program since 2013 and have been piecing together the funding with grants. The default for ambulance response is to transport the caller to an emergency department, but this program allows fewer transports and emergency department admissions. If the program is properly funded it could save a lot of money from emergency department diversions. Arizona is seeking an amendment from the Centers for Medicare and Medicaid Services for reimbursement for these services and we would like to replicate that to allow payment in Washington. Prior to 2013, fire department responses to emergency calls were limited to deliveries to emergency departments. The 2013 act allowed fire departments to identify low acuity callers and divert them to appropriate care or resources, but it hasn't allowed reimbursement for the services. We had an evaluation of the CARES program completed by a consultant group that shows the program results in a reduction in costs in the health system, improved care utilization for patients, and improved patient experience. The savings for Puget Sound Regional Fire Authority CARES showed reduced costs to the fire department of \$600,000 annually, reduced costs to the health system of \$1 million annually, and improved health services utilization with a reduction of 200 visits to the emergency department annually. Fire chiefs support this bill. This bill saves money

when we can divert unnecessary transportation, saves time, and keeps emergency services available to respond to true emergencies.

OTHER: We support the idea of the community services program and appreciate the amendment made in the House that broadened the definition to allow fire departments without a tax to participate. There are areas in the state where there are no professional fire fighters or paramedics. We are interested in doing the work and staying included in the language.

**Persons Testifying (Health Care):** PRO: Representative Dan Griffey, Prime Sponsor; Geoff Simpson, Washington State Council Of Fire Fighters; Mitch Snyder, Puget Sound Fire Dept; Shaughn Maxwell, Snohomish County Fire District No. 1; Eric Robertson, Valley Regional Fire Authority & WA Fire Chiefs.

OTHER: Paul Berendt, American Medical Response.

**Persons Signed In To Testify But Not Testifying (Health Care):** No one.

**Staff Summary of Public Testimony on Engrossed Second Substitute House Bill (Ways & Means):** *The committee recommended a different version of the bill than what was heard.*  
PRO: The fire departments don't intervene in non-emergency services unless they have a CARES program. These programs bring the cost curve down. We saved \$1 million dollars in Kent with the reduction of transportation to an emergency department. We can prevent people from being transported to the emergency department and send them to a more appropriate service or facility. We included a look back in the bill to provide evidence that developing a reimbursement model will save money. It is a five year time frame to allow time for the reimbursement methodology to be developed.

**Persons Testifying (Ways & Means):** PRO: Geoff Simpson, Washington State Council Of Fire Fighters.

**Persons Signed In To Testify But Not Testifying (Ways & Means):** No one.