

# SENATE BILL REPORT

## SB 5246

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As Reported by Senate Committee On:  
Health & Long Term Care, February 5, 2021

**Title:** An act relating to reimbursement for primary care services for medicaid beneficiaries.

**Brief Description:** Concerning reimbursement for primary care services for medicaid beneficiaries.

**Sponsors:** Senators Randall, Frockt, Conway, Das, Nguyen, Nobles, Saldaña and Wilson, C..

**Brief History:**

**Committee Activity:** Health & Long Term Care: 1/29/21, 2/05/21 [DP-WM].

**Brief Summary of Bill**

- Requires the Medicaid payment for primary care providers be at least 15 percent above the medical assistance rates in effect January 1, 2019.
- Requires the Medicaid payment for pediatric critical care, neonatal critical care, and neonatal intensive care providers to be at least 21 percent above the medical assistance rates in effect January 1, 2019.
- Requires the Health Care Authority to direct Medicaid managed care plans to increase primary care rates through adoption of a uniform rate increase for network providers.

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### SENATE COMMITTEE ON HEALTH & LONG TERM CARE

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

Signed by Senators Cleveland, Chair; Frockt, Vice Chair; Muzzall, Ranking Member; Conway, Holy, Keiser, Padden, Randall, Rivers, Robinson, Van De Wege and Wilson, J.

**Staff:** LeighBeth Merrick (786-7445)

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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 part of the legislation nor does it constitute a statement of legislative intent.*

**Background:** The federal Affordable Care Act (ACA) provided federal funding for payment increases for Medicaid primary care services at the Medicare rates for calendar years 2013 and 2014. The provision applied to fee-for-service and managed care providers for evaluation and management and vaccine administration services when delivered by a physician with a specialty designation of family medicine, general internal medicine, or pediatric medicine. Funding was also provided in the state budget to increase the reimbursement for nurse practitioners. The enhanced funding ended December 31, 2014.

Federal Medicaid rules allow states to enter into specific contracting arrangements with managed care organizations. These rules include provisions allowing states to enter into contracts requiring managed care organizations to adopt minimum fee schedules for network providers that provide a particular service under the contract.

**Summary of Bill:** Medicaid payments for primary care services furnished by a nurse practitioner, naturopath, physician assistant, osteopathic physician assistant, physician, or osteopathic physician, must be at least 15 percent above the medical assistance rates that were in effect on January 1, 2019. Medicaid payments for pediatric critical care, neonatal critical care, and neonatal intensive care services furnished by a nurse practitioner, naturopath, physician assistant, osteopathic physician assistant, physician, or osteopathic physician must be at least 21 percent above medical assistance rates that were in effect on January 1, 2019. The rate increases begin January 1, 2022 and apply to both fee-for-service and managed health care systems.

The Health Care Authority (HCA) must apply the reimbursement rates to payment codes in a manner consistent with the temporary rate increase provided under the ACA. HCA must pursue a state plan amendment directing Medicaid managed care plans to increase payments using a minimum fee schedule.

**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.

**Staff Summary of Public Testimony:** PRO: This bill is based on a bill that passed unanimously last session, but was vetoed due to the budget issues the state was facing with COVID-19. Physicians and naturopaths are often forced to limit their number of Medicaid patients because the rates are so low. The reimbursement does not match the costs it provides to the services which makes it very challenging for providers to serve Medicaid patients. Having a limited number of providers available to serve Medicaid presents an access issue. When clinics are forced to close or limit the Medicaid patients they see, it disrupts patient care. The increased rates this bill provides will help improve Medicaid

clients' access to care because more doctors will be able to serve Medicaid clients. Primary care services are very critical to preventing illness and death, and lead to better outcomes and reduced health disparities. Too little is invested in primary care. It is important we invest in primary care.

**Persons Testifying:** PRO: Senator Emily Randall, Prime Sponsor; Roman Daniels-Brown, Washington State Medical Association; Angela Ross, ND, Washington Association of Naturopathic Physicians; Ben Hawthorne, ND, Washington Association of Naturopathic Physicians; Jonathan Seib, Washington Academy of Family Physicians; Dr. Frances Chalmers, Washington Chapter of the American Academy of Pediatrics.

**Persons Signed In To Testify But Not Testifying:** No one.