

FINAL BILL REPORT

SSB 5589

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Synopsis as Enacted

Brief Description: Concerning statewide spending on primary care.

Sponsors: Senate Committee on Health & Long Term Care (originally sponsored by Senators Robinson, Cleveland, Frockt and Randall).

Senate Committee on Health & Long Term Care
House Committee on Health Care & Wellness
House Committee on Appropriations

Background: Health Care Cost Transparency Board. In 2020, the Legislature directed the Health Care Authority to establish the Health Care Cost Transparency Board (Board). The Board must annually calculate the total health care expenditures in Washington and establish a health care cost growth benchmark. The Board is comprised of 14 members appointed by the Governor, with two required advisory committees—the Advisory Committee for Health Care Providers and Carriers and the Advisory Committee on Data Issues. The Board has authority to establish additional advisory committees on relevant topics. In August 2021, the Board released an initial progress report. The Board plans to identify the health care cost growth benchmark by June 2022 and measure performance against the benchmark and identify cost drivers beginning in August 2023.

Office of Financial Management Primary Care Expenditures Report. In 2019, the Legislature directed the Office of Financial Management (OFM) to determine the annual primary care medical expenditures as a percentage of total medical expenditures by carrier. OFM released the report in 2019 and found in Washington for 2018, primary care expenditures as a percentage of total medical expenditures ranged from 4.4 percent—about \$838 million—to 5.6 percent—about \$1 billion—based on either a narrow or broad definition, respectively, of primary care. Primary care spending as a percentage of total spending was highest for people under 18 years and lowest in people 65 years and older.

Office of the Insurance Commissioner Health Plan Form and Rate Filings. The Office of the Insurance Commissioner (OIC) regulates commercial health insurance carriers and

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requires them to submit details about their plans and rates for the OIC to review.

Summary: The Board must measure and report on primary care expenditures in Washington and the progress towards increasing it to 12 percent of total health care expenditures. In developing the measures and report, the Board must consult with primary care providers and organizations representing primary care providers and review existing work in this and other states regarding primary care. By December 1, 2022, the Board must report to the Governor and Legislature on:

- how to define primary care;
- barriers to accessing the necessary data and how to overcome these barriers;
- annual progress needed for primary care expenditures to reach 12 percent of total health care expenditures;
- how and whom determines the annual desired spending level for primary care;
- incentives for achieving the desired spending levels;
- reimbursement methods for achieving the desired spending levels combined with improved health outcomes, value and health care experience; and
- the Board's ongoing role in developing desired spending levels and implementing and evaluating strategies to achieve them.

Beginning August 1, 2023, the Board must annually report the primary care expenditures for the most recent year with available data to the Governor and Legislature. If possible, the expenditures must be broken down by insurance carrier, market or payer, provider type, payment mechanism, and in total and as a percentage of total health care expenditure. If necessary, the report may identify barriers to the reporting requirements and propose recommendations for how to overcome them.

OIC is authorized to assess carriers' primary care expenditures in the previous plan year or anticipated for the upcoming plan year when it reviews carriers' health plan forms or rate filings. When conducting the review, OIC must consider the primary care expenditure's definition and desired spending levels established by the Board. OIC may determine the form and content for the carriers to report their primary care expenditures.

Votes on Final Passage:

Senate	48	1
House	96	1

Effective: June 9, 2022