
**Health Care & Wellness
Committee**

E2SSB 5930

Brief Description: Providing high quality, affordable health care to Washingtonians based on the recommendations of the blue ribbon commission on health care costs and access.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Keiser, Kohl-Welles, Shin and Rasmussen; by request of Governor Gregoire).

Brief Summary of Engrossed Second Substitute Bill

- Implements recommendations of the Blue Ribbon Commission on Health Care Costs and Access.

Hearing Date: 3/19/07

Staff: Dave Knutson (786-7146).

Background:

The Blue Ribbon Commission on Health Care Costs and Access met from June to December, 2006. It was created by the Legislature and charged with delivering a five-year plan for substantially improving access to affordable health care for all Washingtonians. The commission was co-chaired by Governor Gregoire and Senator Thibaudeau, and included 12 other legislative and state agency leaders. The commission met throughout the interim, and issued their recommendations in January 2007.

The recommendations encompass 16 main topic areas, with multiple action steps for each area. In brief, they are: use state purchasing to improve health care quality; become a leader in the prevention and management of chronic illness; provide cost and quality information for consumers and providers; deliver on the promise of health information technology; reduce unnecessary emergency room visits; reduce health care administrative costs; support community organizations that promote cost-effective care; give individuals and families more choice in selecting private insurance plans that work for them; partner with the federal government to improve coverage; organize the insurance market to make it more accessible to consumers;

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address the affordability of coverage for high-cost individuals; ensure the health of the next generation by linking insurance coverage with policies that improve children's health; initiate strategies to improve childhood nutrition and physical activity; pilot a health literacy program for parents and children; strengthen the public health system; and integrate prevention and health promotion into state health programs.

Summary of Bill:

A wide variety of projects are initiated within state agencies. The Department of Social and Health Services (DSHS) and the Health Care Authority (HCA) must initiate a number of efforts focused on quality improvements, including: developing a five-year plan by September 1, 2007 to change reimbursement to reward quality and incorporate evidence-based standards; report on trends in unnecessary emergency room use by December 1, 2007, and design a pilot to reduce such visits; and, in conjunction with Department of Labor and Industries (L&I) and Department of Health (DOH), develop a five-year plan by September 1, 2007, to integrate disease and accident prevention and health promotion into all state health programs, and implement demonstration projects and evaluations of the projects, with reports to the Legislature December 2008, 2009, and 2010.

In addition, DSHS must: design and implement medical homes for their aged, blind, and disabled clients, and evaluate chronic care management and expansion of best practices for the medical and long term care programs; seek federal waivers and state plan amendments that seek to expand coverage and leverage all available funding, explore alternative benefit designs, and expand enrollment in employer-sponsored insurance premium assistance for the state's Children's Health Insurance Program (SCHIP); and ensure enrollees are not simultaneously enrolled in the medical assistance program or SCHIP, and the Basic Health program.

In addition, HCA must: identify a certification process for patient decision aids in consultation with the National Committee for Quality Assurance, and collaborate with providers, carriers, and researchers to develop a demonstration project targeting preference-sensitive conditions with unwarranted variation; create the Washington State Quality Forum, in collaboration with the Puget Sound Health Alliance, to collect research and health care quality data; design and pilot a consumer-centric health information infrastructure with the first health record bank; and, in collaboration with an advisory board, design a Washington Health Insurance Connector to serve employees of small businesses and other individuals, and submit implementing legislation by December 1, 2007.

DOH must: (1) provide training and technical assistance for providers of primary care, focused on caring for people with chronic conditions and high quality preventive and chronic disease care; (2) modify awards to local public health jurisdictions to include contracts with performance measures and reporting of progress; and (3) establish a web-based interactive prescription monitoring program to monitor prescribing and dispensing of schedule II, III, IV, and V substances.

The Office of Insurance Commissioner (OIC) must report on opportunities to reduce key health care administrative costs by September 1, 2007. The Office of Financial Management (OFM), in collaboration with OIC, must design a reinsurance program for individuals and small groups and submit implementing legislation and funding options by December 1, 2007.

All insurance carriers and the state employee programs must offer enrollees an opportunity to extend coverage for unmarried dependents up to age 25, effective January 1, 2008. Modifications are made to the Washington State Health Insurance Program (WSHIP) including the ability to offer at least one policy with benefits similar to those in the private, individual market, modify some benefits, modify future contracts to allow them to be replaced with policies with similar benefits, provide the Board authority to offer incentives, and direct a study of eligibility for the pool due December 1, 2007.

Access to the University of Washington Health Sciences Library is expanded for health professionals, with an increase to the licensing fees. Insurance provisions for small group products are modified: insurance carriers offering products to small employers may offer a special product free of many mandates; rating rules are modified to allow health savings accounts to be rated separately, and to allow rate variation of +/-8 percent with no review, and greater than +/-8 percent with approval of the OIC; and the premium assistance program for low-income employees of Small Employers Health Insurance Program may be provided for any benefit plan offered by a small employer.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on March 12, 2007.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void if not specifically funded in the Legislative Budget: Section 8-Washington State Quality Forum; Section 9-Health Information Technology health record pilot project; Section 19-Washington Health Insurance Connector; and Section 36-Wellness demonstration pilots.