

CERTIFICATION OF ENROLLMENT

**ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2549**

Chapter 295, Laws of 2008

60th Legislature  
2008 Regular Session

PRIMARY CARE--PILOT PROJECTS

EFFECTIVE DATE: 06/12/08

Passed by the House March 8, 2008  
Yeas 93 Nays 0

FRANK CHOPP

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**Speaker of the House of Representatives**

Passed by the Senate March 5, 2008  
Yeas 47 Nays 0

BRAD OWEN

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**President of the Senate**

Approved April 1, 2008, 2:55 p.m.

CHRISTINE GREGOIRE

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**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2549** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

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**Chief Clerk**

FILED

April 2, 2008

**Secretary of State  
State of Washington**

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ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2549

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AS AMENDED BY THE SENATE

Passed Legislature - 2008 Regular Session

State of Washington                      60th Legislature                      2008 Regular Session

By House Appropriations (originally sponsored by Representatives  
Seaquist, Lantz, Morrell, Liias, Barlow, and Green)

READ FIRST TIME 02/13/08.

1            AN ACT Relating to establishing patient-centered primary care pilot  
2 projects; creating new sections; and providing an expiration date.

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

4            NEW SECTION.    **Sec. 1.** The legislature finds that our primary care  
5 system is severely faltering and the number of people choosing primary  
6 care as a profession is decreasing dramatically. Primary care  
7 providers include family medicine and general internal medicine  
8 physicians, pediatricians, naturopathic physicians, advanced registered  
9 nurse practitioners, and physician assistants. A strong primary care  
10 system has been shown to improve health outcomes and quality and to  
11 reduce overall health system costs. To improve the health and  
12 well-being of the people in the state of Washington; enhance the  
13 recruitment, retention, performance, and satisfaction of primary  
14 providers; and control costs, our statewide system of primary care  
15 providers needs to be rapidly expanded, improved, and supported, in  
16 line with current research and professional innovations.

17            The legislature further finds that a medical home can best deliver  
18 the patient-centered approach that can manage chronic diseases, address  
19 acute illnesses, and provide effective prevention. A medical home is

1 a place where health care is accessible and compassionate. It is built  
2 on evidence-based strategies with a team approach. Each patient  
3 receives medically necessary acute, chronic, prevention, and wellness  
4 services, as well as other medically appropriate dental and behavioral  
5 services, and community support services, all which are tailored to the  
6 individual needs of the patient. Development and maintenance of  
7 medical homes require changes in the reimbursement of primary care  
8 providers in medical home practices. There is a critical need to  
9 identify reimbursement strategies to appropriately finance this model  
10 of delivering medical care.

11 NEW SECTION. **Sec. 2.** (1) Within funds appropriated for this  
12 purpose, and with the goal of catalyzing and providing financial  
13 incentives for the rapid expansion of primary care practices that use  
14 the medical home model, the department of health shall offer primary  
15 care practices an opportunity to participate in a medical home  
16 collaborative program, as authorized under RCW 43.70.533. Qualifying  
17 primary care practices must be willing and able to adopt and maintain  
18 medical home models, as defined by the department of social and health  
19 services in its November 2007 report to the legislature concerning  
20 implementation of chapter 5, Laws of 2007.

21 (2) The collaborative program shall be structured to promote  
22 adoption of medical homes in a variety of primary care practice  
23 settings throughout the state and consider different populations,  
24 geographic locations, including at least one location that would agree  
25 to operate extended hours, which could include nights or weekends, and  
26 other factors to allow a broad application of medical home adoption,  
27 including rural communities and areas that are medically underserved.  
28 The collaborative program shall assist primary care practices to  
29 implement the medical home requirements and provide the full complement  
30 of primary care services as established by the medical home definition  
31 in this section. Key goals of the collaborative program are to:

32 (a) Develop common and minimal core components to promote a  
33 reasonable level of consistency among medical homes in the state;

34 (b) Allow for standard measurement of outcomes; and

35 (c) Promote adoption, and use of the latest techniques in effective  
36 and cost-efficient patient-centered integrated health care.

1 Medical home collaborative participants must agree to provide data  
2 on patients' experience with the program and health outcome measures.  
3 The department of health shall consult with the Puget Sound health  
4 alliance and other interested organizations when selecting specific  
5 measures to be used by primary care providers participating in the  
6 medical home collaborative.

7 (3) The medical home collaborative shall be coordinated with the  
8 Washington health information collaborative, the health information  
9 infrastructure advisory board, and other efforts directed by RCW  
10 41.05.035. If the health care authority makes grants to primary care  
11 practices for implementation of health information technology during  
12 state fiscal year 2009, it shall make an effort to make these grants to  
13 primary care providers participating in the medical home collaborative.

14 (4) The department of health shall issue an annual report to the  
15 health care committees of the legislature on the progress and outcome  
16 of the medical home collaborative. The reports shall include:

17 (a) Effectiveness of the collaborative in promoting medical homes  
18 and associated health information technology, including an assessment  
19 of the rate at which the medical home model is being adopted throughout  
20 the state;

21 (b) Identification of best practices; an assessment of how the  
22 collaborative participants have affected health outcomes, quality of  
23 care, utilization of services, cost-efficiencies, and patient  
24 satisfaction;

25 (c) An assessment of how the pilots improve primary care provider  
26 satisfaction and retention; and

27 (d) Any additional legislative action that would promote further  
28 medical home adoption in primary care settings.

29 The first annual report shall be submitted to the legislature by  
30 January 1, 2009, with the final report due to the legislature by  
31 December 31, 2011.

32 NEW SECTION. **Sec. 3.** (1) As part of the five-year plan to change  
33 reimbursement required under section 1, chapter 259, Laws of 2007, the  
34 health care authority and department of social and health services must  
35 expand their assessment on changing reimbursement for primary care to  
36 support adoption of medical homes to include medicare, other federal

1 and state payors, and third-party payors, including health carriers  
2 under Title 48 RCW and other self-funded payors.

3 (2) The health care authority shall also collaborate with the Puget  
4 Sound health alliance, if that organization pursues a project on  
5 medical home reimbursement. The goal of the collaboration is to  
6 identify appropriate medical home reimbursement strategies and provider  
7 performance measurements for all payors, such as providing greater  
8 reimbursement rates for primary care physicians, and to garner support  
9 among payors and providers to adopt payment strategies that support  
10 medical home adoption and use.

11 (3) The health care authority shall work with providers to develop  
12 reimbursement mechanisms that would reward primary care providers  
13 participating in the medical home collaborative program that  
14 demonstrate improved patient outcomes and provide activities including,  
15 but not limited to, the following:

16 (a) Ensuring that all patients have access to and know how to use  
17 a nurse consultant;

18 (b) Encouraging female patients to have a mammogram on the  
19 evidence-based recommended schedule;

20 (c) Effectively implementing strategies designed to reduce  
21 patients' use of emergency room care in cases that are not emergencies;

22 (d) Communicating with patients through electronic means; and

23 (e) Effectively managing blood sugar levels of patients with  
24 diabetes.

25 (4) The health care authority and the department of social and  
26 health services shall report their findings to the health care  
27 committees of the legislature by January 1, 2009, with a recommended  
28 timeline for adoption of payment and provider performance strategies  
29 and recommended legislative changes should legislative action be  
30 necessary.

31 NEW SECTION. **Sec. 4.** This act expires December 31, 2011.

32 NEW SECTION. **Sec. 5.** If specific funding for the purposes of this  
33 act, referencing this act by bill or chapter number, is not provided by  
34 June 30, 2008, in the omnibus appropriations act, this act is null and

1 void.

Passed by the House March 8, 2008.

Passed by the Senate March 5, 2008.

Approved by the Governor April 1, 2008.

Filed in Office of Secretary of State April 2, 2008.