

2011 -- H 5276 SUBSTITUTE A

LC00079/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- PATIENT-CENTERED
MEDICAL HOME ACT

Introduced By: Representatives Naughton, McNamara, Kennedy, E Coderre, and Walsh

Date Introduced: February 08, 2011

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 14.6

RHODE ISLAND ALL-PAYER PATIENT-CENTERED MEDICAL HOME ACT

5 **42-14.6-1. Short title.** – This chapter shall be known and may be cited as the “Rhode
6 Island All-Payer Patient-Centered Medical Home Act.”

7 **42-14.6-2. Legislative purpose and intent.** – (a) The general assembly recognizes that
8 patient-centered medical home (PCMH) is an approach to providing comprehensive primary care
9 for children, youth and adults. The patient-centered medical home is a health care setting that
10 facilitates partnerships between individual patients, and their personal physicians, physician
11 assistants and advanced practice nurses, and when appropriate, the patient’s family. Care is
12 facilitated by registries, information technology, health information exchange and other means to
13 assure that patients get the indicated care when and where they need and want it in a culturally
14 and linguistically appropriate manner. The goals of the patient-centered medical home are
15 improved delivery of comprehensive primary care and focus on better outcomes for patients,
16 more efficient payment to physicians and other clinicians and better value, accountability and
17 transparency to purchasers and consumers. The patient-centered medical home changes the
18 interaction between patients and physicians and other clinicians from a series of episodic office

1 visits to an ongoing two-way relationship. The patient-centered medical home helps medical care
2 providers work to keep patients healthy instead of just healing them when they are sick. In the
3 patient-centered medical home patients are active participants in managing their health with a
4 shared goal of staying as healthy as possible.

5 (b) The patient-centered medical home has the following characteristics:

6 (1) Emphasizes, enhances, and encourages the use of primary care;

7 (2) Focuses on delivering high quality, efficient, and effective health care services;

8 (3) Encourages patient-centered care, including active participation by the patient and
9 family, or designated agent for health care decision-making, as appropriate in decision-making
10 and care plan development, and providing care that is appropriate to the patient's individual needs
11 and circumstances;

12 (4) Provides patients with a consistent, ongoing contact with a personal clinician or team
13 of clinical professionals to ensure continuous and appropriate care for the patient's condition;

14 (5) Enables and encourages utilization of a range of qualified health care professionals,
15 including dedicated care coordinators, in a manner that enables providers to practice to the fullest
16 extent of their license;

17 (6) Focuses initially on patients who have or are at risk of developing chronic health
18 conditions;

19 (7) Incorporates measures of quality, resource use, cost of care, and patient experience;

20 (8) Ensures the use of health information technology and systematic follow-up, including
21 the use of patient registries; and

22 (9) Encourages the use of evidence-based health care, patient decision-making aids that
23 provide patients with information about treatment options and their associated benefits, risks,
24 costs, and comparative outcomes, and other clinical decision support tools.

25 (c) The general assembly recognizes that Rhode Island is a national leader in all-payer
26 patient-centered medical homes through a model developed by providers and financed through
27 the voluntary participation of insurers. The continuation of this model, developed by the Rhode
28 Island chronic care sustainability initiative, is recognized as critical to the future structure of the
29 Rhode Island primary care delivery system. The general assembly also recognizes that the model
30 created through this legislation is not the only model for patient-centered medical homes and in
31 no way seeks to limit the innovation of providers and insurers in the future.

32 **42-14.6-3. Definitions.** – As used in this section, the following terms shall have the
33 following meanings:

34 (1) "Commissioner" means the health insurance commissioner.

1 (2) "Health insurer" means all entities licensed, or required to be licensed, in this state
2 that offer health benefit plans in Rhode Island including, but not limited to, nonprofit hospital
3 service corporations and nonprofit medical service corporations established pursuant to chapters
4 27-19 and 27-20, and health maintenance organizations established pursuant to chapter 27-41 or
5 as defined in chapter 42-62, a fraternal benefit society or any other entity subject to state
6 insurance regulation that provides medical care on the basis of a periodic premium, paid directly
7 or through an association, trust or other intermediary, and issued, renewed, or delivered within or
8 without Rhode Island.

9 (3) "Health insurance plan" means any individual, general, blanket or group policy of
10 health, accident and sickness insurance issued by a health insurer (as herein defined). Health
11 Insurance Plan shall not include insurance coverage providing benefits for:

- 12 (i) Hospital confinement indemnity;
- 13 (ii) Disability income;
- 14 (iii) Accident only;
- 15 (iv) Long-term care;
- 16 (v) Medicare supplement;
- 17 (vi) Limited benefit health;
- 18 (vii) Specified disease indemnity;
- 19 (viii) Sickness or bodily injury or death by accident or both; and
- 20 (ix) Other limited benefit policies.

21 (4) "Personal clinician" means a physician, physician assistant, or an advanced practice
22 nurse licensed by the department of health.

23 (5) "State health care program" means medical assistance, RIteCare, and any other health
24 insurance program provided through the office of health and human services (OHHS) and its
25 component state agencies state health care program does not include any health insurance plan
26 provided as a benefit to state employees or retirees.

27 (6) "Patient-centered medical home" means a practice that satisfies the characteristics
28 described in section 42-14.6-2, and is designated as such by the secretary or through alternative
29 models as provided for in section 42-14.6-7, based on standards recommended by the patient-
30 centered medical home collaborative.

31 (7) "Patient-centered medical home collaborative" means a community advisory council,
32 including, but not limited to, participants in the existing Rhode Island patient-centered medical
33 home pilot project, and health insurers, physicians and other clinicians, employers, the state
34 health care program, relevant state agencies, community health centers, hospitals, other providers,

1 patients, and patient advocates which shall provide consultation and recommendations to the
2 secretary and the commissioner on all matters relating to proposed regulations, development of
3 standards, and development of payment mechanisms.

4 (8) “Secretary” means the secretary of the executive office of health and human services.

5 **42-14.6-4. Promotion of the patient-centered medical home. – (a) Care coordination**
6 **payments.**

7 (1) The commissioner and the secretary shall convene a patient-centered medical home
8 collaborative consisting of the entities described in subdivision 42-14.6-3(7). The commissioner
9 shall require participation in the collaborative by all of the health insurers described above. The
10 collaborative shall propose, by January 1, 2012, a payment system, to be adopted in whole or in
11 part by the commissioner and the secretary, that requires all health insurers to make per-person
12 care coordination payments to patient-centered medical homes, for providing care coordination
13 services and directly managing on-site or employing care coordinators as part of all health
14 insurance plans offered in Rhode Island. The collaborative shall provide guidance to the state
15 health care program as to the appropriate payment system for the state health care program to the
16 same patient-centered medical homes; the state health care program must justify the reasons for
17 any departure from this guidance to the collaborative.

18 (2) The care coordination payments under this shall be consistent across insurers and
19 patient-centered medical homes and shall be in addition to any other incentive payments such as
20 quality incentive payments. In developing the criteria for care coordination payments, the
21 commissioner shall consider the feasibility of including the additional time and resources needed
22 by patients with limited English-language skills, cultural differences, or other barriers to health
23 care. The commissioner may direct the collaborative to determine a schedule for phasing in care
24 coordination fees.

25 (3) The care coordination payment system shall be in place through July 1, 2016. Its
26 continuation beyond that point shall depend on results of the evaluation reports filed pursuant to
27 section 42-14.6-6.

28 (4) Examination of other payment reforms. By January 1, 2013, the commissioner and the
29 secretary shall direct the collaborative to consider additional payment reforms to be implemented
30 to support patient-centered medical homes including, but not limited to, payment structures (to
31 medical home or other providers) that:

32 (i) Reward high-quality, low-cost providers;

33 (ii) Create enrollee incentives to receive care from high-quality, low-cost providers;

34 (iii) Foster collaboration among providers to reduce cost shifting from one part of the

1 health continuum to another; and

2 (iv) Create incentives that health care be provided in the least restrictive, most
3 appropriate setting.

4 (b) The patient-centered medical home collaborative shall propose to the secretary for
5 adoption, the standards for the patient-centered medical home to be used in the payment system,
6 based on national models where feasible.

7 **42-14.6-5. Annual reports on implementation and administration.** – The secretary
8 and commissioner shall report annually to the legislature on the implementation and
9 administration of the patient-centered medical home model.

10 **42-14.6-6. Evaluation reports.** – (a) The secretary and commissioner shall provide to the
11 legislature comprehensive evaluations of the patient-centered medical home model two (2) years
12 and four (4) years after implementation. The evaluation must include:

13 (1) The number of enrollees in patient-centered medical homes in the collaborative and
14 the health characteristics of enrollees;

15 (2) The number and geographic distribution of patient-centered medical home providers
16 in the collaborative and the number of primary care physicians per thousand populations;

17 (3) The performance and quality of care of patient-centered medical homes in the
18 collaborative;

19 (4) The estimated impact of patient-centered medical homes on access to preventive care;

20 (5) Patient-centered medical home payment arrangements, and costs related to
21 implementation and payment of care coordination fees;

22 (6) The estimated impact of patient-centered medical homes on health status and health
23 disparities; and

24 (7) Estimated savings from implementation of the patient-centered medical home model.

25 (b) Health insurers shall provide to the commissioner and secretary utilization, quality,
26 financial, and other reports, specified by the commissioner and secretary, regarding the
27 implementation and impact of patient-centered medical homes

28 **42-14.6-7. Alternative models.** – Nothing in this section shall preclude the development
29 of alternative patient centered medical home models by an insurer for its group and/or individual
30 policies, or by the secretary, the commissioner or other state agencies or preclude insurers, the
31 secretary, the commissioner or other state agencies from establishing alternative models and
32 payment mechanisms for persons who are enrolled in integrated Medicare and Medicaid
33 programs, are enrolled in managed care long-term care programs, are dually eligible for Medicare
34 and Medicaid, are in the waiting period for Medicare, or who have other primary coverage.

1 **42-14.6-8. Regulations.** – The secretary of health and human services and the health
2 insurance commissioner shall develop regulations to implement this chapter.

3 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- PATIENT-CENTERED
MEDICAL HOME ACT

1 This act would provide for the implementation and development of a model patient-
2 centered medical home program as a new approach to providing comprehensive primary health
3 care for children, youths, and adults in this state.

4 This act would take effect upon passage.

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